ACCORDIA GOLF TRUST MANAGEMENT PTE. LTD.
REGISTRATION NUMBER: 201407957D

Financial Statements
Year ended 31 March 2017

DIRECTORS' STATEMENT

We are pleased to present the Directors' statement together with the audited financial statements of Accordia Golf Trust Management Pte. Ltd. (the "Company") for the financial year ended 31 March 2017.

In our opinion:

(a) the financial statements set out on pages FS1 to FS24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Yoshihiko Machida	
Toshikatsu Makishima	(Appointed on 27 September 2016)
Khoo Kee Cheok @ Kee Chor	
Chong Teck Sin	
Hitoshi Kumagai	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), no director who held office at the end of the financial year (including those held by their spouses and infant children) had interest in shares, debentures, warrants, share options and share awards in the Company and its related corporations either at the beginning, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Yoshihiko Machida
Director

Toshikatsu Makishima
Director

22 June 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
Accordia Golf Trust Management Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Accordia Golf Trust Management Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS24.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
22 June 2017

Statement of financial position
As at 31 March 2017

	Note	2017 $	2016 $
Non-current assets			
Plant and equipment	4	41,987	58,096
		41,987	58,096
Current assets			
Financial derivatives	5	54,370	–
Trade and other receivables	6	1,357,603	1,332,161
Prepayments		81,335	77,221
Cash and cash equivalents	7	3,521,254	3,164,831
		5,014,562	4,574,213
Total asset		5,056,549	4,632,309
Equity			
Share capital	8	625,000	625,000
Accumulated profits		4,151,900	3,790,505
Hedging reserve	8	(11,244)	–
Total equity		4,765,656	4,415,505
Non-current liabilities			
Deferred tax liabilities	9	6,221	5,561
		6,221	5,561
Current liabilities			
Trade and other payables	10	262,612	180,145
Current tax payable		22,060	31,098
		284,672	211,243
Total liabilities		290,893	216,804
Total equity and liabilities		5,056,549	4,632,309

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
Year ended 31 March 2017

	Note	2017 $	2016 $
Revenue	11	3,155,705	2,884,932
Other income		4,317	8,040
Staff costs		(2,112,804)	(1,911,284)
Professional fees		(204,380)	(291,471)
Human resource and administrative service fees		(18,672)	(28,975)
Investor relation expenses		(37,527)	(59,121)
Operating lease expenses		(145,822)	(146,921)
Travelling expenses		(90,715)	(77,493)
Other expenses		(202,530)	(219,057)
Results from operating activities		347,572	158,650
Finance income	12	39,220	27,321
Profit before tax	13	386,792	185,971
Tax expense	14	(25,397)	(4,224)
Profit for the year		361,395	181,747
Other comprehensive loss that may be reclassified subsequently to profit or loss			
Changes in fair value of financial hedges		(11,244)	–
Other comprehensive income for the year, net of tax		(11,244)	–
Total comprehensive income for the year		350,151	181,747

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2017

	Share capital $	Accumulated profits $	Hedging reserve $	Total equity $
At 1 April 2015	625,000	3,608,758	–	4,233,758
Total comprehensive income for the year				
Profit for the year	–	181,747	–	181,747
Total comprehensive income for the year	–	181,747	–	181,747
At 31 March 2016	625,000	3,790,505	–	4,415,505
At 1 April 2016	625,000	3,790,505	–	4,415,505
Total comprehensive income for the year				
Profit for the year	–	361,395	–	361,395
Other comprehensive income				
Effective portion of changes in fair value of financial hedges	–	–	(11,244)	(11,244)
Total other comprehensive income	–	–	(11,244)	(11,244)
Total comprehensive income for the year	–	361,395	(11,244)	350,151
At 31 March 2017	625,000	4,151,900	(11,244)	4,765,656

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 March 2017

	2017 $	2016 $
Cash flows from operating activities		
Profit before tax	386,792	185,971
Adjustments for:		
Depreciation of plant and equipment	24,077	21,125
Interest income	(35,479)	(27,228)
	375,390	179,868
Changes in working capital:		
– trade and other receivables	(8,241)	(254,377)
– prepayments	(4,114)	(25,595)
– trade and other payables	82,467	(287,919)
– financial derivatives	(65,614)	–
Cash generated from/(used in) operations	379,888	(388,023)
Tax paid	(33,775)	(575,000)
Net cash flows from/(used in) operating activities	346,113	(963,023)
Cash flows from investing activities		
Interest received	18,278	13,880
Purchase of plant and equipment	(7,968)	(6,300)
Fixed deposit pledged with a financial institution	(500,000)	–
Net cash from investing activities	(489,690)	7,580
Net increase/(decrease) in cash and cash equivalents	(143,577)	(955,443)
Cash and cash equivalent at 1 April	3,164,831	4,120,274
Cash and cash equivalents at 31 March	3,021,254	3,164,831

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 June 2017.

1 Domicile and activities

Accordia Golf Trust Management Pte. Ltd. (the Company) is incorporated in the Republic of Singapore. The address of the Company's registered office is at 6 Shenton Way, OUE Downtown 2, 25-09, Singapore 068809.

The principal activity of the Company is that of a trustee-manager for Accordia Golf Trust (business trust).

The Company is a joint venture between Accordia Golf Co., Ltd. and Daiwa Real Estate Asset Management Co. Ltd.. Both companies are incorporated in Japan.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollar, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of critical judgements in the application of accounting policies that have significant effect on the amount recognised in the financial statements or assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarch based on the inputs used in the valuations techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable and market data (unobservable market data).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 15 – Valuation of financial instruments

2.5 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standard which are effective for annual financial periods beginning on or after 1 April 2016 and early adopted FRS 109 *Financial Instruments* which is effective for annual periods beginning on or after 1 April 2018. The adoption of these standards did not have any effect on the financial performance or position of the Company except for FRS 109 *Financial Instruments* as described below.

FRS 109 Financial Instruments

The main impacts of the new standard were on the classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group has elected to apply the limited exemption in FRS 109 and has not restated comparative periods in the year of initial application. The impact arising from FRS 109 adoption were included in the opening accumulated profits at the date of initial application, 1 April 2016, if any.

(a) Classification and measurement

As a result of the early adoption of FRS 109, the Company has classified its financial assets as measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income, depending on its business model for managing those financial assets and the assets' contractual cash flow characteristics. The previous classification at 'fair value through profit or loss', 'loans and receivables', 'available-for-sale' and 'financial liabilities at amortised cost' was discontinued from 1 January 2016.

Based on the new classification, the Company's financial assets that were previously classified as loans and receivables under FRS 39 have been classified as financial assets at amortised cost.

In accordance with the transitional provisions of FRS 109, the Group has not restated prior periods, but has classified the financial assets held at 1 April 2016 retrospectively according to the business model and based on facts and circumstances under which the assets were held at that date as disclosed in the table below and there are no further restatements.

The classification of financial liabilities remained unchanged for the Company.

The following table summarises the classification and measurement changes for the Company's financial assets and financial liabilities on initial application of FRS 109 (1 April 2016):

	Original measurement category and carrying amount under FRS 39		New measurement category and carrying amount under FRS 109
	Loans and receivables	**Carried at amortised cost**	**Amortised cost**
	$	**$**	**$**
2016			
Financial assets:			
Trade and other receivables	1,332,161	–	1,332,161
Cash and cash equivalent	3,164,831	–	3,164,831
Financial liabilities:			
Trade and other payables	–	180,145	180,145

(b) Impairment of financial assets

On 1 April 2016, the Company adjusted the impairment of its financial assets from the incurred loss model under FRS 39 to the expected credit loss concept under FRS 109. Until 31 March 2016, the Company estimated the incurred losses arising from the failure or inability of customers to make payments when due. These estimates were assessed on an individual basis, taking into account the aging of customers' balances, specific credit circumstances and the Company's historical default experience. Under the new approach, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Impairment is made on expected credit losses, which are present value of the cash shortfalls over the expected life of the financial assets. As at 31 March 2017, the impairment made on expected credit losses did not have any impact on the statement of profit or loss.

(c) Hedge accounting

On early adoption of FRS 109, starting from 1 January 2016, the Company adopted cash flow hedge accounting model with respect to foreign currency risk on management fee revenue. The model under FRS 109 facilitates better alignment of hedge accounting with risk management as it makes it possible to apply hedge accounting for specific risk components of non-financial items.

Under the new model, the Company applies the fair value option for its executory forward exchange contracts. The forward exchange contracts accounted for as derivatives are designated as hedging instruments under the cash flow hedge accounting model. This designation is done in order to hedge the foreign currency risk components embedded in the management fee revenue (being the hedged items).

The new hedge accounting model primarily affected the amounts recognised for management fee revenue and did not have a major impact on the statement of other comprehensive income.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the average daily exchange rate of the transacted month. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the Company becomes a party to the contractual provisions of the instruments. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The Company classifies debt instruments into amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash and bank balances and fixed deposit placed with financial institutions, that are subject to an insignificant risk to changes in their fair value.

Impairment

The Company assesses on a forward looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost. For trade receivables only, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts are recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Impairment of financial assets

On 1 April 2016, the Company adjusted the impairment of its financial assets from the incurred loss model under FRS 39 to the expected credit loss model FRS 109. Until 31 March 2016, Company assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment, and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment. When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Under the new approach, impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets.

Trade receivables

The Company measures the loss allowance for its trade receivables at an amount equal to lifetime expected credit losses.

Other financial assets

Accordingly, other financial assets are classified as measured at amortised cost less expected impairment losses. The Company’s other financial assets have contractual cash flows that are solely principal, and interest and the business model’s objective is to hold these assets to collect contractual cash flows. Impairment allowances for other financial assets are determined based on the 12-month expected credit loss model.

3.4 Derivative financial instruments, including hedge accounting

Derivative financial instruments include forward currency contracts. These are used to manage the Company's exposure to risks associated with foreign currency.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles.

Hedge accounting

The Company applies hedge accounting for certain hedging relationships which qualify for hedge accounting. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the Consolidated Profit and Loss Accounts at the time hedge effectiveness is tested.

When a cash flow hedge is discontinued, any cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows no longer expected to occur, the net cumulative gain or loss is immediately reclassified to profit or loss.

3.5 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computers	–	3 years
Office equipment	–	3 years
Furniture and fittings	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.8 Revenue recognition

Management fee

Management fee is derived from the management of the business trust and comprises base fee and performance fee which are respectively determined based on the value of the total assets of the business trust on a consolidated basis, and the adjusted net operating income of the investments of business trust. Management fee is recognised on an accrual basis.

Acquisition, divestment and one-time initial setup fees

Acquisition and divestment fees relate to fees earned in relation to the acquisition and divestment of assets by business trust. The acquisition and divestment fees are determined based on the value of the assets acquired and divested and are recognised when the services have been rendered.

One-time initial setup fee relates to acquisition fee for work done in connection with the acquisition of the initial portfolio by business trust. The fee is recognised when the services have been rendered.

3.9 Finance income

Finance income comprises interest income on deposits placed with banks. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of the current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made.

3.12 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Company has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, the Company is assessing the transition options and the potential impact on its financial statements, and implementations of these standards.

The new standards include, among others, FRS 115 *Revenue from Contracts with Customers* which is mandatory for the adoption by the Company on 1 April 2018 and FRS 116 *Leases* which is mandatory for adoption by the Company on 1 April 2019.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue* and FRS 11 *Construction Contracts*.

- FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low values. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 Determining whether an *Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

As FRS 115 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for revenue and leases, these standards are expected to be relevant to the Company. The management is currently evaluating the potential impact on its financial statements and to implement the standards. The Company does not plan to adopt these standards early.

4 Plant and equipment

	Computers $	Office equipment $	Furniture and fittings $	Total $
Cost				
At 1 April 2015	26,860	2,616	56,497	85,973
Additions	–	6,300	–	6,300
At 31 March 2016	26,860	8,916	56,497	92,273
Additions	7,968	–	–	7,968
At 31 March 2017	34,828	8,916	56,947	100,241

	Computers $	Office equipment $	Furniture and fittings $	Total $
Accumulated depreciation				
At 1 April 2015	4,477	508	8,067	13,052
Depreciation charge for the year	8,953	873	11,299	21,125
At 31 March 2016	13,430	1,381	19,366	34,177
Depreciation charge for the year	9,806	2,972	11,299	24,077
At 31 March 2017	23,236	4,353	30,665	58,254
Carrying amounts				
At 1 April 2015	22,383	2,108	48,430	72,921
At 31 March 2016	13,430	7,535	37,131	58,096
At 31 March 2017	11,592	4,563	25,832	41,987

5 Financial derivatives

	2017 $	2016 $
Forward exchange contracts used for hedging	54,370	–

The Company uses forward exchange contracts to hedge its revenue which were computed based on Japanese Yen.

6 Trade and other receivables

	2017 $	2016 $
Amount due from Accordia Golf Trust	651,064	628,244
Accrued revenue from Accordia Golf Trust	550,008	559,083
Deposits	137,677	129,280
Accrued interest income	17,201	15,554
Others	1,653	–
	1,357,603	1,332,161

The Company's exposure to credit risk related to its trade and other receivables is disclosed in note 15.

7 Cash and cash equivalents

	2017 $	2016 $
Cash and bank balances	974,415	1,150,951
Fixed deposits placed with financial institutions	2,546,839	2,013,880
Cash and cash equivalents in the statement of financial position	3,521,254	3,164,831
Fixed deposits pledged with a financial institution	(500,000)	–
Cash and cash equivalents in the statement of cash flows	3,021,254	3,164,831

The fixed deposits placed with financial institutions mature within the next 12 months and bear interest rates of 1.08% to 1.80% (2016: 1.45% to 1.80%) per annum. The fixed deposit of $500,000 (2016: $Nil) is pledged with a financial institution for foreign exchange forward facility.

8 Share capital

	2017 No. of shares	2016 No. of shares
Issued and fully paid ordinary shares, with no par value:		
At 1 April and 31 March	625,000	625,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Hedging reserve

Hedging reserve records the portion of the fair value changes on financial derivatives that were designated as hedging instruments which were determined to be effective hedges.

9 Deferred tax liabilities

Movement in deferred tax liabilities of the Company during the year is as follows:

	At 1/4/2015 $	Recognised in profit or loss (note 14) $	At 31/3/2016 $	Recognised in profit or loss (note 14) $	At 31/3/2017 $
Plant and equipment	6,400	(839)	5,561	660	6,221

10 Trade and other payables

	2017 $	2016 $
Trade payables	46,945	28,614
Amount due to related corporations (trade)	100,096	–
Accrued operating expenses	87,100	126,521
Goods and Services Tax payable	28,471	25,010
	262,612	180,145

The Company's exposure to liquidity risk related to its trade and other payables is disclosed in note 15.

11 Revenue

	2017 $	2016 $
Management fee	3,155,705	2,884,932

12 Finance income

	2017 $	2016 $
Recognised in profit or loss		
Interest income on cash and cash equivalents, representing finance income	35,480	27,228
Net exchange gain	3,740	93
	39,220	27,321

13 Profit before tax

The following items have been included in arriving at profit before tax:

	2017 $	2016 $
Salaries and bonuses	1,924,673	1,785,165
Contributions to defined contribution plans	49,744	33,856
Other personnel expenses	138,388	92,263
	2,112,805	1,911,284
Government grant – Wage Credit Scheme	3,808	3,803

14 Tax expense

	2017	2016
	$	$
Current tax expense		
Current year	24,737	5,063
Deferred tax expense		
Origination and reversal of temporary differences	660	(839)
Total tax expense	25,397	4,224
Reconciliation of effective tax rate		
Profit before tax	386,792	185,971
Tax calculated using Singapore tax rate of 17% (2016: 17%)	65,755	31,615
Non-deductible expenses	5,391	6,185
Tax exempt income	(14,309)	(17,706)
Tax incentive	(25,925)	(10,807)
Tax rebate	(5,515)	(5,063)
	25,397	4,224

15 Financial instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

At the reporting date, the Company's primary exposure to credit risk arises through its receivables from a related corporation. The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposure to credit risk.

Impairment losses

Trade receivables that are neither past due nor impaired mainly arise from creditworthy debtors with good payment record with the Company. The Company believes that no impairment allowance is necessary in respect of receivables not past due. As at the reporting date, there are no receivables past due.

Cash and cash equivalents

The Company held cash and cash equivalents of $3,521,524 (2016: $3,164,831) as at 31 March 2017, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institutions which are regulated.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

In the management of liquidity risks, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flow.

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

		Cash flows		
	Carrying amount	**Contractual cash flows**	**Within 1 year**	**Within 1 to 5 years**
	$	**$**	**$**	**$**
31 March 2017				
Non-derivative financial liabilities				
Trade and other payables	262,612	(262,612)	(262,612)	–
	262,612	(262,612)	(262,612)	–
Derivative financial instruments				
Forward exchange contracts used for hedging (gross-settled):	54,370			
– Outflow	–	(1,163,244)	(1,163,244)	–
– Inflow	–	1,217,614	1,217,614	–
	54,370	54,370	54,370	–
	316,981	(208,241)	(208,241)	–

		Cash flows		
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years
	$	$	$	$
31 March 2016				
Non-derivative financial liabilities				
Trade and other payables	180,145	(180,145)	(180,145)	–
	180,145	(180,145)	(180,145)	–

The disclosure shows net cash flow amounts for derivatives that are cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Company is exposed to currency risk on purchases and cash balances that are denominated in Japanese yen (JPY).

The Company uses derivative financial instruments to hedge its currency risk.

Management reviews periodically to ensure that the net exposure is kept at an acceptable level.

The Company's exposure to foreign currency risk is as follows:

	2017 JPY $	2016 JPY $
Cash and cash equivalents	137,409	88,828
Trade and other payables	(57,677)	–
Net exposure	79,732	88,828

Sensitivity analysis

A strengthening of the SGD against the JPY at 31 March 2017 would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted purchases.

	Profit or loss	
	10% strengthening $	10% weakening $
31 March 2017		
JPY	(7,973)	7,973
31 March 2016		
JPY	(8,883)	8,883

Capital management

The Board's policy is to maintain a sound capital position to support its business growth and strategic investments.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts of financial assets and liabilities, which are not measured at fair value as shown in the statement of financial position, are as follows. Information on fair value of financial assets and financial liabilities are not disclosed when their carrying amounts are reasonable approximation of their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, trade receivables and other payables) approximate their fair values because of the short period to maturity.

The fair value of forward exchange contracts (Level 2 fair values) used for hedging is based on market comparison technique. The fair value are based on broker quotes. Similar contracts are trade in an active market and the quotes reflect the actual transactions in similar instrument.

	Note	Amortised cost $	Fair value through other comprehensive income $	Total carrying amount $
31 March 2017				
Financial assets not measured at fair value				
Trade and other receivables	6	1,357,603	–	1,357,603
Cash and cash equivalents	7	3,521,254	–	3,521,254
		4,878,957	–	4,878,957

	Note	Amortised cost $	Fair value through other comprehensive income $	Total carrying amount $
Financial assets measured at fair value				
Forward exchange contracts used for hedging	5	–	54,370	54,370
Financial liabilities not measured at fair value				
Trade and other payables	9	262,612	–	262,612
31 March 2016				
Financial assets not measured at fair value				
Trade and other receivables	6	1,332,161	–	1,332,161
Cash and cash equivalents	7	3,164,831	–	3,164,831
		4,496,992	–	4,496,992
Financial liabilities not measured at fair value				
Trade and other payables	9	180,145	–	180,145

16 Operating lease

Non-cancellable operating lease rental is payable to a related company as follows:

	2017 $	2016 $
Within one year	155,188	24,207
Between one and five years	186,657	–
	341,845	24,207

The Company leases its office under operating lease with a related company. In June 2016, the Company has renewed the lease for a period of three years with the related company.

17 Related parties

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties on terms agreed between the parties:

Key management personnel compensation

Key management personnel of the Company are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The directors of the Company are considered as key management personnel.

The key management personnel compensation, representing compensation to directors of the Company, for the year is as follows:

	2017	**2016**
	$	**$**
Salaries and other short-term employee benefits	966,221	909,030

Other related party transactions

The following significant transaction between the Company and its related parties took place during the year on terms agreed between the parties:

	2017	**2016**
	$	**$**
Accordia Golf Trust		
Management fee	3,155,705	2,884,932
Disbursement of expenses	81,629	–
Related corporations		
Human resource and administrative service rendered	22,605	28,975
Rental expense	142,608	119,376

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