

Notes to the Financial Statements – 31 December 2019

4. CONTRACT LIABILITY

Contract liability is related to the advance grant received for the services to be provided at a later date. The revenue relating to the services is recognised when performance obligation is satisfied.

5. AMOUNT DUE TO A DIRECTOR

	2019	2018
	\$	\$
Trade	20,960	19,662
Non-trade	–	243
	<u>20,960</u>	<u>19,905</u>

The amount due is unsecured, interest-free, repayable upon demand and is to be settled in cash.

6. INCOME

Grants	2,400	9,800
Honorarium	100	–
Research consultancy fee	37,657	38,091
	<u>40,157</u>	<u>47,891</u>

7. OTHER INCOME

Interest income from bank balances	<u>2</u>	<u>1</u>
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8. SURPLUS/(DEFICIT) BEFORE TAX

The surplus/(deficit) before tax is arrived at after charging:

Contract services	<u>29,240</u>	<u>50,050</u>
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9. RELATED PARTY DISCLOSURES

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its related party that took place at terms agreed between the parties during the financial year:

Significant related party transactions

Director

Contract services paid to	<u>25,990</u>	<u>29,625</u>
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10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not have any written financial risk management policies and guidelines and it does not have significant exposure to financial risk associated with financial instrument held in the ordinary course of business.

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10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Company's financial assets and liabilities are stated at nominal value and are not subject to significant risk of changes in value as there are no significant financial risks involved. As a result, a financial risk policy is not considered necessary.

11. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting year by FRS 109 categories:

	2019	2018
	\$	\$
<i>Financial assets at amortised cost</i>		
Trade receivables	–	9,800
Cash and cash equivalents	33,527	13,594
	<u>33,527</u>	<u>23,394</u>
<i>Financial liabilities at amortised cost</i>		
Accrued liabilities	3,500	3,773
Amount due to a director	20,960	19,905
	<u>24,460</u>	<u>23,678</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The Company does not anticipate that the carrying amounts recorded as at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

13. FUND MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy fund position to sustain its operation and the ability to continue as a going concern through regularly monitoring its current and expected liquidity requirements. The Company's overall strategy remains unchanged during the financial years ended 31 December 2019 and 2018 and is not subject to any externally imposed fund requirement.

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14. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the 2019 Novel Coronavirus (“Covid-19”) outbreak a pandemic. The spread of Covid-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses including government decree to shut down non-essential operation. The Company is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the Government.

As the situation relating to the spread remains dynamic, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Company for the next financial reporting period.

The Company is closely monitoring the development of the COVID-19 outbreak and its related impact on the businesses. As at the date of the authorisation of the financial statements, the Company is not aware of any material effects on the financial statements arising from the COVID-19 outbreak.

15. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended on 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 6 April 2020.