

THE SINGAPORE ACADEMY OF LAW
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

SUMMARY FINANCIAL STATEMENTS
For the financial year ended 31 March 2020

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of The Singapore Academy of Law

Opinion

The summary financial statements of The Singapore Academy of Law (the "Academy") and its subsidiaries (the "Group"), which comprise the summary consolidated balance sheet of the Group and summary balance sheet of the Academy as at 31 March 2020, the summary consolidated income and expenditure statement and summary consolidated statement of comprehensive income of the Group, and the summary income and expenditure statement and summary statement of comprehensive income of the Academy for the financial year then ended, and related notes, are derived from the audited financial statements of the Academy and its subsidiaries for the year ended 31 March 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Academy and its subsidiaries for the year ended 31 March 2020 from which they are derived and comply with the requirements of Section 21 of the Singapore Academy of Law Act (Cap. 294A, 1997 Revised Edition) (the "Act").

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the Financial Reporting Standards in Singapore. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24 August 2020.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with Section 21 of the Act. In preparing the summary financial statements, Section 21 of the Act requires that the summary financial statements be derived from the annual financial statements for the year ended 31 March 2020 and be in such form and contain such information as may be specified by rules made thereunder applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Singapore Standard on Auditing (SSA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 August 2020

**THE SINGAPORE ACADEMY OF LAW
AND ITS SUBSIDIARIES**

SUMMARY FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

Important Note

These summary financial statements as set out on pages 3 to 8 are derived from The Singapore Academy of Law ("the Academy") and its subsidiaries ("the Group")'s financial statements and the independent auditor's report thereon, which are available for inspection by all members of the Academy at the premises of the Academy during the Academy's office hours. Any member who wishes to have copies of the financial statements and independent auditor's report may notify the Academy; and the Academy shall furnish these free of charge to that member within 21 days of its receipt of the member's notification.

The summary financial statements do not contain sufficient information to allow for a full understanding of the financial position and performance of the Academy and of the Group. For further information, the full financial statements and the independent auditor's report on those statements should be consulted.

Objectives of the Academy in accordance with The Singapore Academy of Law Act (Cap. 294A, 1997 Revised Edition) are:

- (a) to promote and maintain high standards of conduct and learning of the members of the legal profession in Singapore and the standing of the profession in the region and elsewhere;
- (b) to promote the advancement and dissemination of knowledge of the laws and the legal system;
- (c) to promote legal research and scholarship and the reform and development of the law;
- (d) to provide continuing legal education for its members;
- (e) to provide for the training, education and examination, by the Academy or by any other body, of persons intending to practise the profession of law;
- (f) to consider proposals and suggestions regarding matters which are referred to the Academy by the Law Society or the Institute*;
- (g) to refer to the Law Society or the Institute* proposals and suggestions regarding matters which in the opinion of the Senate require consideration by the Law Society or the Institute*;
- (h) to promote good relations and social interaction amongst members and between members and law students and persons concerned in the administration of law and justice in Singapore;
- (i) to appoint persons as notaries public or commissioners for oaths and to authenticate their signatures;
- (j) to undertake activities and projects relating to the study, development and operation of laws and legal systems and the facilities, information technology and infrastructure in support thereof;
- (k) to provide consultancy and other services relating to the study, development and operation of laws and legal systems and the facilities, information technology and infrastructure in support thereof;
- (l) to hold moneys, whether as stakeholder or in any other capacity, for the purposes or members of the legal profession in Singapore or under any written law; and
- (m) to exercise the functions and duties conferred on the Academy under any written law.

* "Institute" refers to the Singapore Institute of Legal Education established under section 3 of the Legal Profession Act (Cap.161).

**THE SINGAPORE ACADEMY OF LAW
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For the financial year ended 31 March 2020

Summary Income and Expenditure Statement for the financial year ended 31 March 2020

	<u>The Group</u>		<u>The Academy</u>	
	2020	2019	2020	2019
	\$	\$	\$	\$
Operating income/(expenditure)				
Operating income	31,444,865	28,537,437	24,606,011	20,066,225
Operating expenditure	(26,689,551)	(26,235,210)	(19,039,799)	(16,691,843)
Surplus from operating activities	4,755,314	2,302,227	5,566,212	3,374,382
Investment income/(expenditure)				
Investment income	2,225,133	2,386,395	2,225,133	2,386,395
Other losses from investment - net	(537,673)	(486,841)	(537,673)	(486,841)
Investment expenditure	(124,286)	(129,455)	(124,286)	(129,455)
Surplus from investing activities	1,563,174	1,770,099	1,563,174	1,770,099
Total operating and investment income/(expenditure)				
Total income	33,669,998	30,923,832	26,831,144	22,452,620
Total expenditure	(27,351,510)	(26,851,506)	(19,701,758)	(17,308,139)
Surplus from operating and investing activities	6,318,488	4,072,326	7,129,386	5,144,481
Deferred capital grant amortised	89,414	33,650	85,371	27,397
Grants utilised	1,477,460	1,767,653	483,613	309,527
Surplus before income tax and contribution to Consolidated Fund	7,885,362	5,873,629	7,698,370	5,481,405
Contribution to Consolidated Fund and income tax expense	(1,397,533)	(946,633)	(1,397,954)	(932,200)
Surplus after income tax and contribution to Consolidated Fund	6,487,829	4,926,996	6,300,416	4,549,205

**THE SINGAPORE ACADEMY OF LAW
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For the financial year ended 31 March 2020

Summary Statements of Comprehensive Income for the financial year ended 31 March 2020

	The Group		The Academy	
	2020	2019	2020	2019
	\$	\$	\$	\$
Surplus after income tax and contribution to Consolidated Fund	6,487,829	4,926,996	6,300,416	4,549,205
Other comprehensive income:				
Available-for-sale financial assets, net of contribution				
- Fair value losses	(238,435)	(25,171)	(238,435)	(25,171)
- Reclassification	195,487	104,719	195,487	104,719
	<u>(42,948)</u>	<u>79,548</u>	<u>(42,948)</u>	<u>79,548</u>
Total comprehensive income	6,444,881	5,006,544	6,257,468	4,628,753

Summary Balance Sheets as at 31 March 2020

	The Group		The Academy	
	2020	2019	2020	2019
	\$	\$	\$	\$
Property, plant and equipment	29,931,780	29,809,544	29,098,447	28,764,188
Intangible asset	-	160,145	-	160,145
Deferred contribution assets	139,754	130,958	139,754	130,958
Financial assets, at FVPL	11,554,080	13,684,832	11,554,080	13,684,832
Financial assets, at FVOCI	5,033,911	10,497,148	5,033,911	10,497,148
Other current assets	306,698,279	500,881,922	299,580,383	493,877,145
Grants received in advance	(479,473)	(764,916)	-	-
Deferred capital grant	(654,482)	(501,917)	(635,400)	(481,274)
Lease liabilities	(1,290,650)	-	(607,845)	-
Other current liabilities	(269,557,055)	(478,966,453)	(267,687,927)	(476,415,207)
	<u>81,376,144</u>	<u>74,931,263</u>	<u>76,475,403</u>	<u>70,217,935</u>
Accumulated surplus	82,058,471	75,570,642	77,157,730	70,857,314
Fair value reserve	(682,327)	(639,379)	(682,327)	(639,379)
	<u>81,376,144</u>	<u>74,931,263</u>	<u>76,475,403</u>	<u>70,217,935</u>

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NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

1. Stakeholding funds

Included in other current assets and other current liabilities are stakeholding funds, held in accordance with The Singapore Academy of Law (Stakeholding) Rules, amounting to \$258,911,534 [Note 1(a)] (2019: \$468,988,003) and \$258,911,534 (2019: \$468,988,003) respectively.

(a) Stakeholding funds comprise the following:

	<u>The Group and Academy</u>	
	2020	2019
	\$	\$
<u>Included in other current assets:</u>		
Cash at bank	209,307,679	193,448,772
Deposits with financial institutions	-	226,500,000
Financial assets, at FVOCI	59,570,908	58,042,973
Financial assets – other receivables	460,416	488,901
Financial liabilities – other payable	-	(501,650)
Amount due to the Academy	<u>(10,427,469)</u>	<u>(8,990,993)</u>
	<u>258,911,534</u>	<u>468,988,003</u>
Represented by:		
Stakeholding funds included in other current liabilities	<u>258,911,534</u>	<u>468,988,003</u>

The Academy has engaged a professional fund manager to manage a portion of the Stakeholding funds [Note 1(b)].

(b) Stakeholding funds with fund manager comprise the following financial assets/liabilities:

	<u>The Group and Academy</u>	
	2020	2019
	\$	\$
Funds with fund manager:		
Financial asset, at FVOCI (included in other current assets)	59,570,908	58,042,973
Cash and cash equivalents (included in other current assets)	396,145	960,769
Other receivable (included in other current assets)	460,416	488,901
Other payable (included in other current assets)	-	(501,650)
	<u>60,427,469</u>	<u>58,990,993</u>
Less: Fund management fee payable* (included in other current liabilities)	<u>(20,174)</u>	<u>(19,396)</u>
	<u>60,407,295</u>	<u>58,971,597</u>

*This is borne by the Academy and not by the stakeholding funds.

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NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Funds of the Academy with fund managers

Included in the financial assets, at FVPL and at FVOCI, other current assets and other current liabilities of the Group are funds of the Academy placed with fund managers amounting to \$17,112,682 (2019: \$25,245,145).

Funds with fund managers comprise the following financial assets/liabilities:

	<u>The Group and Academy</u>	
	<u>2020</u>	<u>2019</u>
	\$	\$
Funds with fund managers:		
Financial assets, at FVPL	11,554,080	13,684,832
Financial assets, at FVOCI	5,033,911	10,497,148
Cash and cash equivalents (included in other current assets)	501,349	1,013,835
Derivative financial instruments (included in other current assets)		
- assets	11,390	2,566
Accrued income (included in other current assets)	21,491	56,670
	17,122,221	25,255,051
Less: Fund management fee payable (included in other current liabilities)	(9,539)	(9,906)
	17,112,682	25,245,145

3. Grants received in advance

Grants received in advance of the Group relate to government grants amounting to \$479,473 (2019: \$764,916).

4. Deferred capital grant

Deferred capital grant of the Group amounting to \$654,482 (2019: \$501,917) are transferred to income and expenditure statement over the periods necessary to match the depreciation of the assets purchased with the grants.

5. Accumulated surplus

The accumulated surplus of the Group and the Academy include other funds of \$6,862,715 (2019: \$6,475,335) and \$6,933,183 (2019: \$6,545,803) respectively that are set up by the Academy for specific purposes.

**THE SINGAPORE ACADEMY OF LAW
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NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

6. Summary of significant related party transactions

These were the following significant related party transactions at terms agreed between the parties concerned:

(a) Income and expenditure for services

	<u>The Group</u>		<u>The Academy</u>	
	2020	2019	2020	2019
	\$	\$	\$	\$
Secondment fees and other income received from subsidiaries	-	-	2,070,559	1,986,950
LawNet levy income received from related government bodies	666,087	669,713	666,087	669,713
Seminar fees, workshop income and other income received from related government bodies	74,883	170,395	57,707	141,106
Office rental, secondment and other charges paid to related government bodies and related entities	616,463	775,628	345,999	476,171
Grants and royalty paid to subsidiaries	-	-	1,531,339	780,503
Operating expenses paid on behalf of subsidiaries	-	-	1,011,652	1,385,820

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NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

6. Summary of significant related party transactions (continued)

(b) Key management personnel compensation

	<u>The Group and Academy</u>	
	<u>2020</u>	<u>2019</u>
	\$	\$
Key management personnel compensation	<u>2,743,408</u>	<u>2,228,381</u>

DATED THIS 24 AUGUST 2020



CHIEF JUSTICE SUNDARESH MENON
PRESIDENT
THE SINGAPORE ACADEMY OF LAW

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT ON THE FULL FINANCIAL STATEMENTS

An unmodified audit report dated 24 August 2020 has been issued on the full financial statements of The Singapore Academy of Law and its subsidiaries for the financial year ended 31 March 2020. The audit report is reproduced as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SINGAPORE ACADEMY OF LAW

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of The Singapore Academy of Law (the "Academy") and its subsidiaries (the "Group") and the balance sheet, income and expenditure statement, statement of comprehensive income and statement of changes in funds and reserves of the Academy are properly drawn up in accordance with the provisions of the Singapore Academy of Law Act (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Academy as at 31 March 2020 and of the consolidated financial performance, consolidated changes in funds and reserves and consolidated cash flows of the Group and the financial performance and changes in funds and reserves of the Academy for the financial year ended on that date.

What we have audited

The financial statements of the Academy and the Group comprise:

- the income and expenditure statements of the Group and of the Academy for the financial year ended 31 March 2020;
- the statements of comprehensive income of the Group and of the Academy for the financial year then ended;
- the balance sheets of the Group and of the Academy as at 31 March 2020;
- the statements of changes in funds and reserves of the Group and of the Academy for the financial year then ended;
- the consolidated statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statistics on Composition of Members, but does not include the financial statements and our auditor's report thereon.

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 on the other information obtained prior to the date of this auditor's report, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SINGAPORE ACADEMY OF LAW
(continued)

Responsibilities of Management and Those Charged with Governance 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 FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Academy is constituted based on its Act and its dissolution requires a repeal of the Act by Parliament. In preparing the financial statements, management is responsible for assessing the Group'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 there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 control.
- Obtain an understanding of internal control 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 Group's internal control.
- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SINGAPORE ACADEMY OF LAW
(continued)

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the Act to be kept by the Academy have been properly kept in accordance with the provisions of the Act; and
- (b) the financial statements of the Academy and the Group for the financial year ended 31 March 2020 are prepared on a basis similar to that adopted for the preceding year and in agreement with the accounting and other records.

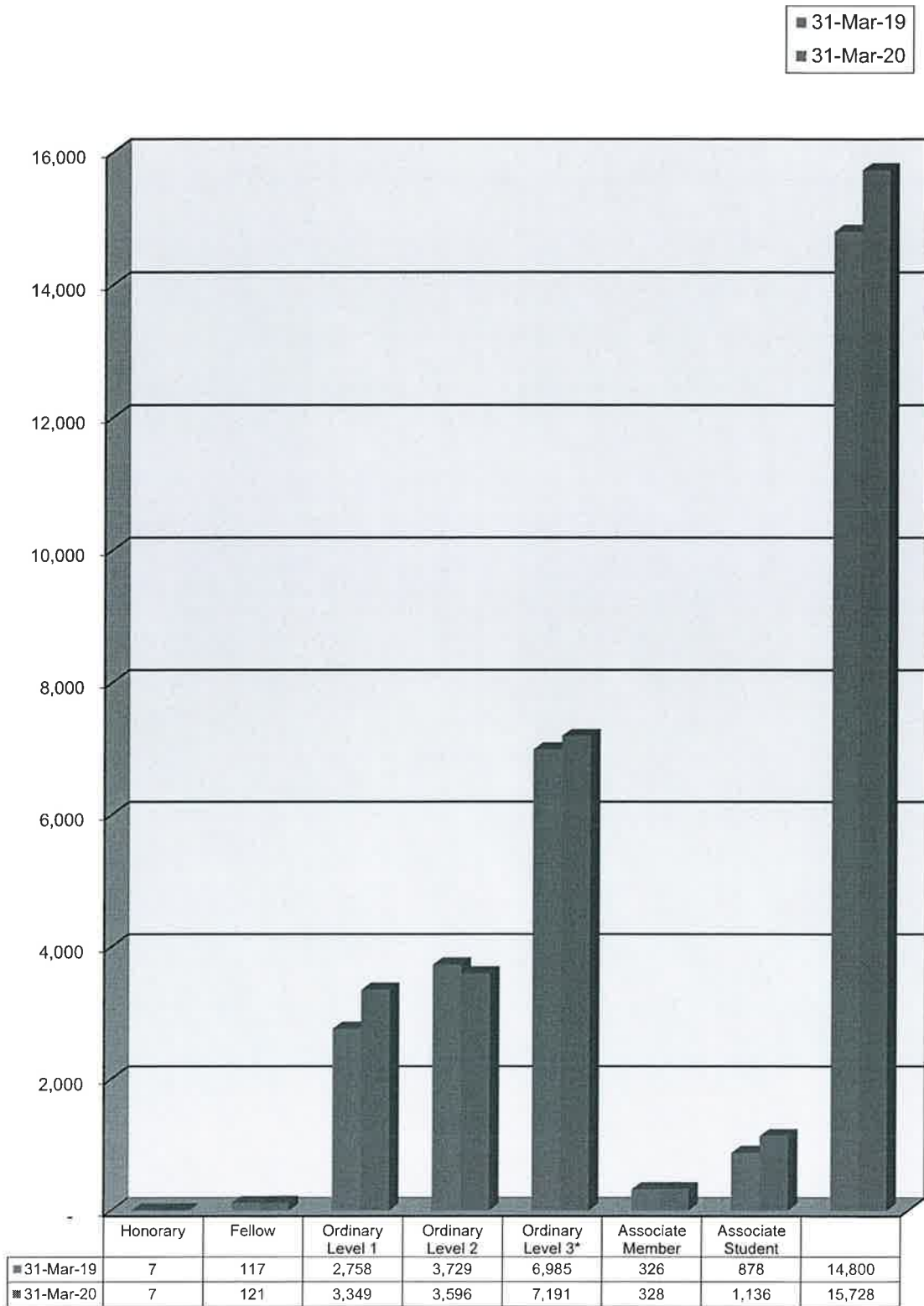


PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 August 2020

**THE SINGAPORE ACADEMY OF LAW
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STATISTICS ON COMPOSITION OF MEMBERS

As at 31 March 2020



Category

The total no. of members **15,728** as of 31 Mar 20 includes all active and inactive members.

**This includes 84 foreign lawyers practising under section 36B or section 36D or granted approval under section 176(1) of the Legal Profession Act*