Insearch India LLP

LLP Identification Number: AAJ-8817

Annual report
for the period ended 31 March 2019

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This financial statements cover Insearch India LLP as an individual entity. The financial statements are presented in Australian currency.

Insearch India LLP is a foreign partnership, incorporated and domiciled in India. Its registered office and principal place of business is:

Insearch India LLP
Level 15, Eros Corporate Tower
Nehru Place New DL 110019
New Delhi
India

Insearch India LLP
Statement of comprehensive income
For the period ended 31 March 2019

	Notes	Period from 1 April 2018 to 31 March 2019 $
Revenue from continuing operations	5	**796,402**
Employee benefits expense	6	**(261,314)**
Travel expenses		**(50,049)**
Rental expenses		**(206,303)**
Communications		**(5,988)**
Printing & Stationery		**(2,346)**
Depreciation expense	6	**(19,359)**
Other expenses	6	**(138,617)**
Marketing and advertising		**(13,277)**
Surplus before income tax		**99,149**
Income tax expense	7	**(25,054)**
Surplus for the period		**74,095**
Other comprehensive loss		
Currency translation differences arising during the period	15(a)	**(14,366)**
Other comprehensive loss for the period, net of tax		**(14,366)**
Total comprehensive income for the period		**59,729**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Insearch India LLP
Statement of financial position
As at 31 March 2019

	Notes	2019 $
ASSETS		
Current assets		
Cash and cash equivalents	8	**112,780**
Financial assets at amortised cost	9	**41,021**
Other assets	12	**54,780**
Total current assets		**208,581**
Non-current assets		
Property, plant and equipment	10	**37,103**
Deferred tax assets	11	**3,696**
Other assets	12	**57,912**
Total non-current assets		**98,711**
Total assets		**307,292**
LIABILITIES		
Current liabilities		
Payables	13	**245,372**
Total current liabilities		**245,372**
Non-current liabilities		
Total non-current liabilities		**-**
Total liabilities		**245,372**
Net assets		**61,920**
EQUITY		
Share capital	14	**2,191**
Reserves	15(a)	**(14,366)**
Retained surplus	15(b)	**74,095**
Total equity		**61,920**

The above statement of financial position should be read in conjunction with the accompanying notes.

	Notes	Share capital $	Reserves $	Retained surplus $	Total equity $
Balance at 1 April 2018		-	-	-	-
Surplus for the period		-	-	74,095	74,095
Other comprehensive loss		-	(14,366)	-	(14,366)
Total comprehensive income for the period		**-**	**(14,366)**	**74,095**	**59,729**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	14	2,191	-	-	2,191
Balance at 31 March 2019		**2,191**	**(14,366)**	**74,095**	**61,920**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Period from 1 April 2018 to 31 March 2019 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		831,325
Payments to suppliers and employees (inclusive of GST)		(624,854)
		206,471
Income taxes (paid)		(25,054)
Net cash inflow from operating activities	22	181,417
Cash flows from investing activities		
Payments for property, plant and equipment	10	(56,974)
Net cash outflow from investing activities		(56,974)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	14	2,191
Net cash inflow from financing activities		2,191
Net increase in cash and cash equivalents		126,634
Effects of exchange rate changes on cash and cash equivalents		(13,854)
Cash and cash equivalents at end of period	8	112,780

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Company profile

Insearch India LLP was formed in India and is a partnership between Insearch Limited (90% owned) and Insearch Education International Pty Limited (10% owned). The Partnership provides, consulting, marketing supports and other services to Insearch Limited across the sub- continent region.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015.* Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

The financial statements were authorised for issue by the Partners on 23 March 2020.

(i) Statement of Compliance

The Partnership's financial statements and accompanying notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

Generally accepted accounting principles, authoritative pronouncements of the AASB, including Interpretations, the *Public Finance & Audit Act 1983 and Public Finance and Audit Regulation 2015* have been used to prepare the Partnership's financial statements.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(iii) New and amended standards adopted by the Partnership

The Partnership has applied the following standards and amendments for first time in their annual reporting period commencing 1 April 2018:

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

The Partnership also elected to adopt the following amendments early:

- AASB 2019-1 *Amendments to Australian Accounting Standards - Annual Improvements 2015- Cycle.*

The Partnership had to change its accounting policies following the adoption of AASB 9 and AASB 15. However these amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2019 reporting periods and have not been early adopted by the Partnership. The Partnership's assessment of the impact of these new standards and interpretations is set out below.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iv) New standards and interpretations not yet adopted (continued)

Title of standard	AASB 16 *Leases*
Nature of change	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the statement of financial position by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.
Impact	The Partnership has set up a project team which has reviewed all of the Partnership's leasing arrangements over the last year in light of the new lease accounting rules in AASB 16. The standard will affect primarily the accounting for the Partnership's operating leases. As at the reporting date, the Partnership has non-cancellable operating lease commitments of $76,411 see note 19.
Mandatory application date/ Date of adoption by Partnership	The Partnership will apply the standard from its mandatory adoption date of 1 April 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(v) Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates.

Estimates are based on the historical experience and other factors that are considered to be relevant, including latest available management information of financial performance and position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Partnership are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Insearch India LLP's presentation currency, however its functional currency is Indian Rupee. The average of opening and closing year-end exchanges rates were used for this presentation purposes.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(c) Revenue recognition

The Partnership recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Partnership's activities as described below. The Partnership bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

2 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

(i) Other fees and charges

Fees are recognised as revenue when services are provided.

(ii) Other income

Other income includes sale of non-current assets, foreign exchange gain or loss and net gain or loss on disposal of non-current assets. Sale of non-current assets are recognised on an accrual basis.

(d) Expense recognition

All expenses are charged against revenue when the liability has been recognised.

(e) Income tax

The income tax rate of the entity in 2019 ratified by the taxation administration in India is 31.2%.

(f) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Assets are initially recorded at their cost at the date of acquisition. Cost is measured as the fair value of the consideration provided at the date of exchange and incidental costs directly attributable to the acquisition.

(g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and fixed term deposits with financial institutions.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Partnership will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment loss had been recognised becomes uncollectible in a subsequent period, it is written off against the impairment account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

(j) Property, plant and equipment

(i) Acquisitions

All plant and equipment is initially stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably. Repairs and maintenance of the assets are charged to the statement of comprehensive income during the financial period in which they are incurred.

Subsequently all plant and equipment is stated at its recoverable amount, as the carrying amounts of the assets are reviewed annually to determine whether they are in excess of their recoverable amount at reporting date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(ii) Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over its expected useful life. The estimated useful lives, residual values and depreciation method of assets are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis. The expected useful lives of all asset groups are 3 - 5 years.

(iii) Disposal

Gains and losses on disposal of assets are determined by comparing the proceeds received with the carrying amount of the asset. The net gain or loss on disposal is included in the statement of comprehensive income.

(k) Leases

Leases of property in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All leases of the Partnership are operating leases.

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis, over the period of the lease.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Partnership prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions are recognised when the Partnership has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2 Summary of significant accounting policies (continued)

(n) Employee benefits

(i) Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the end of the reporting period are recognised in other payables in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(o) Financial instruments

Financial instruments generate financial assets or liabilities for Insearch India LLP. These include cash and cash equivalents, receivables, payables and other financial assets and liabilities. Note 4 discloses the risks and management of those risks of the financial instruments.

3 Changes in accounting policies

As explained in note 2(a) above, the group has adopted a number of new or revised accounting standards this year that have resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

(a) AASB 9 Financial Instruments

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(b) AASB 15 Revenue from Contracts with Customers

The Partnership has adopted AASB 15 *Revenue from Contracts with Customers* from 1 April 2018 which did not result in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

4 Financial risk management

Insearch India LLP's principal financial instruments are outlined below. These financial instruments arise directly from the Partnership's operations or are required to finance the Partnership's operation. Insearch India LLP does not enter into or trade in financial instruments.

Insearch India LLP's risks arising from financial instruments are outlined below, together with the Partnership's objectives and policies for measuring and managing risk.

Insearch India LLP's Board has overall responsibility for the establishment and oversight of risk management. Risk management policies are established to identify and analyse the risk limits and controls, and to monitor risks.

	Financial assets at amortised cost $
Financial assets	
2019	
Cash and cash equivalents	**112,780**
Financial assets at amortised cost	**41,021**
Other current assets	**54,780**
Other assets - non-current	**57,912**
	266,493

4 Financial risk management (continued)

	Liabilities at amortised cost
	$
Financial liabilities	
2019	
Payables	**245,372**

The fair value of the above financial instruments is equal to their carrying value.

(a) Market risk

The primary area of market risk that Insearch India LLP is exposed to is foreign exchange risk.

(i) Foreign exchange risk

Insearch India LLP operates in India and is affected by movements in exchange rates. The impact of these movements can affect both the operating surplus expressed in Australian dollars, and the carrying values of the operations on the statement of financial position of the Partnership.

Insearch India LLP views these exposures to movements in exchange rates as long term and therefore does not hedge against foreign exchange movements.

(ii) Interest rate risk

Insearch India LLP has no borrowings and therefore no associated payable risk as a result of fluctuating interest rates. Insearch India LLP does have an exposure to changes in income due to fluctuations in interest rates.

(b) Credit risk

Credit risk arises where there is a possibility of the Partnership's debtors defaulting on their contractual obligations, resulting in a financial loss to the Partnership.

(c) Liquidity risk

Liquidity risk is the risk that the Partnership will be unable to meet its payment obligations when they fall due.

Insearch India LLP maintains adequate cash balances to ensure that it has sufficient funds to meet future operating expenditure and capital expenditure.

Liquidity is managed by the Partnership through the preparation and review of monthly cash flow statements and cash forecasts. Cash at bank is reconciled on a monthly basis and bank balances are independently confirmed as part of the annual audit process

All of the Partnership's financial liabilities are non interest bearing and are due and payable within 12 months.

5 Revenue

	Period from 1 April 2018 to 31 March 2019 $
From continuing operations	
Other fees and charges	796,402
	796,402

The entity recognised all their revenue at a point in time.

6 Expenses

	Period from 1 April 2018 to 31 March 2019 $
Surplus before income tax includes the following specific expenses:	
(i) Employee benefit expenses	
Salaries	87,731
Staff wellbeing	173,583
Total employee benefit expenses	261,314
(ii) Other expenses	
Accounting & audit fees	71,436
Marketing and advertising	31,695
Consultants and management	31,984
Others	3,502
Total other expenses	138,617
(iii) Depreciation	
Fixtures and fittings	2,581
Plant and equipment	3,601
Computer equipment	13,177
Total depreciation	19,359

7 Income tax expense

(a) Income tax expense

	Period from 1 April 2018 to 31 March 2019 $
Current tax	
Current tax on profits for the year	28,750
Total current tax expense	**28,750**
Deferred income tax	
Increase in deferred tax assets (note 11)	(3,696)
Total deferred tax benefit	**(3,696)**
Income tax expense	**25,054**

(b) Reconciliation of income tax expense to prima facie tax payable

	Period from 1 April 2018 to 31 March 2019 $
Surplus from continuing operations before income tax expense	99,149
Tax at the India tax rate of 31.2%	30,934
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
Depreciation	(630)
Provision	(3,066)
Sundry items	(2,184)
Income tax expense	25,054

8 Cash and cash equivalents

	2019 $
Current assets	
Cash at bank and on hand	112,780

9 Financial assets at amortised cost

	2019 Current $	2019 Non-current $	2019 Total $
Other receivables	**41,021**	**-**	**41,021**

10 Property, plant and equipment

	Plant and equipment $
Year ended 31 March 2019	
Exchange differences	(512)
Additions	56,974
Depreciation charge	(19,359)
Closing carrying amount	37,103
At 31 March 2019	
Cost	56,974
Accumulated depreciation	(19,871)
Carrying amount	37,103

11 Deferred tax assets

	2019 $
The balance comprises temporary differences attributable to:	
Depreciation	**630**
Provisions for employee benefits	**3,066**
Total deferred tax assets	**3,696**

Movements	Depreciation $	Provisions $	Total $
At 1 April 2018	-	-	-
(Charged)/credited			
- to profit or loss	630	3,066	3,696
At 31 March 2019	630	3,066	3,696

12 Other assets

	2019 Current $	2019 Non-current $	2019 Total $
Prepayments	54,780	-	54,780
Security and accommodation deposits	-	57,912	57,912
	54,780	**57,912**	**112,692**

13 Payables

	2019 Current $	2019 Non-current $	2019 Total $
Trade payables	80,972	-	80,972
Related party payables	53,598	-	53,598
Other payables	110,802	-	110,802
	245,372	**-**	**245,372**

14 Contributed equity

Share capital

	2019 $
Fully paid	2,191

15 Reserves and accumulated funds

(a) Reserves

	2019 $
Foreign currency translation reserve	(14,366)

Movements:

Foreign currency translation reserve	
Balance 1 April	-
Currency translation differences arising during the financial year	(14,366)
Balance 31 March	(14,366)

15 Reserves and accumulated funds (continued)

(b) Retained surplus

Movements in retained surplus were as follows:

	2019 **$**
Balance 1 April	-
Net profit for the period	**74,095**
Balance 31 March	**74,095**

16 Key management personnel disclosures

Directors

The following persons were Partners of Insearch India LLP during the financial year:

A Murphy

S Joseph Star

Remuneration of key management personnel was borne by the ultimate parent entity.

17 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the entity:

(a) Ernst & Young (EY)

	Period from 1 April 2018 to 31 March 2019 **$**
Audit and other assurance services	
Audit and review of financial reports	**12,954**
Total remuneration for audit and other services	**12,954**

The fee paid to the Audit Office of NSW for the audit of the financial statements for the period ended 31 March 2019 and was borne by the ultimate parent entity.

18 Contingencies

The Partnership had no contingent assets or liabilities at 31 March 2019.

19 Commitments

(a) Lease commitments

Non-cancellable operating leases

	2019 **$**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	**76,411**

20 Related party transactions

(a) Parent entities

Insearch India LLP is a controlled entity of Insearch Limited which is incorporated and domiciled in Australia.

(b) Transactions with related parties

Insearch India LLP entered into the following transactions with Insearch Limited:

	2019 **$**
Consulting service income	**796,402**

(c) Outstanding balances from related parties

The following balances are outstanding at the end of the reporting date in relation to transactions with related parties:

	2019 **$**
Payables to Insearch Limited	**(53,598)**

21 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Partnership, the results of those operations or the state of affairs of the Partnership or economic entity in subsequent financial periods.

22 Cash flow information

Reconciliation of profit for the period to net cash inflow from operating activities

	2019 $
Profit for the period	**74,095**
Adjustments for	
Depreciation	**19,359**
Change in operating assets and liabilities,	
Increase in financial assets at amortised cost	**(44,717)**
Increase in other assets	**(112,692)**
Increase in payables	**245,372**
Net cash inflow from operating activities	**181,417**

END OF AUDITED FINANCIAL STATEMENTS

Insearch India LLP
Partners' declaration
31 March 2019

In the Partners' opinion:

(a) the financial statements and notes set out on pages 1 to 18 are in accordance with the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* , including:

   (i) complying with Accounting Standards, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the entity's financial position as at 31 March 2019 and of its performance for the financial period ended on that date, and

(b) there are reasonable grounds to believe that the Partnership will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Partners.

A Murphy
Partner

Sydney
23 March 2020