

Insearch India LLP

LLP Identification Number: AAJ-8817

Annual report

**for the period ended 31 December
2019**

Insearch India LLP

LLP Identification Number: AAJ-8817

Annual report - 31 December 2019

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These 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 December 2019

		Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
	Notes		
Revenue from contracts with customers	4	678,771	796,402
Employee benefits expense	5	(190,440)	(261,314)
Travel expenses		(56,084)	(50,049)
Rental expenses		(190,908)	(206,303)
Communications		(5,007)	(5,988)
Printing and stationery		(1,499)	(2,346)
Depreciation expense	5	(14,097)	(19,359)
Other expenses	5	(131,012)	(151,894)
Surplus before income tax		89,724	99,149
Income tax expense	6	(294)	(25,054)
Surplus for the period		89,430	74,095
Other comprehensive loss			
Currency translation differences arising during the period	14(a)	(20,846)	(13,744)
Other comprehensive loss for the period, net of tax		(20,846)	(13,744)
Total comprehensive income for the period		68,584	60,351

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 December 2019

		31 December 2019	31 March 2019
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	65,719	112,780
Financial assets at amortised cost	8	100,123	41,021
Other assets	9	29,568	54,780
Total current assets		<u>195,410</u>	<u>208,581</u>
Non-current assets			
Property, plant and equipment	10	22,932	37,103
Deferred tax assets	11	3,623	3,696
Other assets	9	56,764	57,912
Total non-current assets		<u>83,319</u>	<u>98,711</u>
Total assets		<u>278,729</u>	<u>307,292</u>
LIABILITIES			
Current liabilities			
Payables	12	148,225	245,372
Total current liabilities		<u>148,225</u>	<u>245,372</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>148,225</u>	<u>245,372</u>
Net assets		<u>130,504</u>	<u>61,920</u>
EQUITY			
Share capital	13	2,191	2,191
Reserves	14(a)	(35,212)	(14,366)
Retained surplus	14(b)	163,525	74,095
Total equity		<u>130,504</u>	<u>61,920</u>

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

Insearch India LLP
Statement of changes in equity
For the period ended 31 December 2019

	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 (loss)/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	2,191	-	-	2,191
Balance at 31 March 2019	2,191	(14,366)	74,095	61,920
Balance at 1 April 2019	2,191	(14,366)	74,095	61,920
Surplus for the period	-	-	89,430	89,430
Other comprehensive loss	-	(20,846)	-	(20,846)
Total comprehensive (loss)/income for the period	-	(20,846)	89,430	68,584
Balance at 31 December 2019	2,191	(35,212)	163,525	130,504

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

Insearch India LLP
Statement of cash flows
For the period ended 31 December 2019

	Period from 1 April 2019 to 31 December 2019	Period from 1 April 2018 to 31 March 2019
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	595,816	831,325
Payments to suppliers and employees	<u>(621,884)</u>	<u>(624,854)</u>
	(26,068)	206,471
Income taxes paid	<u>(294)</u>	<u>(25,054)</u>
Net cash (outflow)/inflow from operating activities	<u>21 (26,362)</u>	<u>181,417</u>
Cash flows from investing activities		
Payments for property, plant and equipment	10 -	(56,974)
Net cash outflow from investing activities	<u>-</u>	<u>(56,974)</u>
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	13 -	2,191
Net cash inflow from financing activities	<u>-</u>	<u>2,191</u>
Net (decrease)/increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial year	112,780	-
Effects of exchange rate changes on cash and cash equivalents	<u>(20,699)</u>	<u>(13,854)</u>
Cash and cash equivalents at end of period	<u>7 65,719</u>	<u>112,780</u>

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 support and other services to Insearch Limited across the subcontinent 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.

The Partnership changed its financial year end from March to December to be consistent with the its parent entity's financial year. The prior financial period consists of 12 months results from 1 April 2018 to 31 March 2019. The current financial report covers the 9 months period from 1 April 2019 to 31 December 2019, hence comparative information in respect of previous period may not be entirely comparable.

(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) Reclassifications

Certain accounts in prior years are reclassified to be consistent with current year classifications.

(iv) New and amended standards adopted by the Partnership

The Partnership has applied the following standards and amendments for the first time in their annual reporting period commencing 1 April 2019:

- AASB 16 *Leases*
- AASB 2017-7 *Amendments to Australian Accounting Standards - Long-term Interests in Associates and Joint Ventures*
- AASB 2018-1 *Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle*
- Interpretation 23 *Uncertainty over Income Tax Treatments*.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The Partnership adopted AASB 16 using the modified retrospective approach and did not restate comparative reporting periods. On adoption, the Partnership applied a practical expedient to account for operating leases with a remaining lease term of less than 12 months on 1 January 2019 as short-term leases. Hence no leases recognise on the statement of financial position. The adoption of AASB 16 did not have any impact on the amount recognised in the financial statements.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the partnership. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(vi) 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 exchange rates were used for this presentation purposes. All resulting exchange differences is recognised in other comprehensive income.

(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.

(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.

(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% (31 March 2019: 31.2%).

2 Summary of significant accounting policies (continued)

(f) Impairment of assets

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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

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

(h) 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.

(i) 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 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.

2 Summary of significant accounting policies (continued)

(j) 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.

(k) 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.

(l) Financial instruments

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Partnership only have financial assets to be measured at amortised cost.

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 3 discloses the risks and management of those risks of the financial instruments.

3 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	
31 December 2019	
Cash and cash equivalents	65,719
Financial assets at amortised cost	103,746
Other assets - non-current	56,764
	226,229
31 March 2019	
Cash and cash equivalents	112,780
Financial assets at amortised cost	50,794
Other assets - non-current	57,912
	221,486
	Liabilities at amortised cost \$
Financial liabilities	
31 December 2019	
Payables	148,225
	148,225
31 March 2019	
Payables	245,372
	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.

3 Financial risk management (continued)

(a) Market risk (continued)

(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.

4 Revenue from contracts with customers

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Other fees and charges	<u>678,771</u>	<u>796,402</u>
	678,771	796,402

The Partnership derives all revenue from Insearch Limited in Australia at a point in time.

5 Expenses

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Surplus before income tax includes the following specific expenses:		
<i>(i) Employee benefit expenses</i>		
Salaries	74,057	87,731
Staff wellbeing	116,383	173,583
Total employee benefit expenses	190,440	261,314
<i>(ii) Other expenses</i>		
Accounting & audit fees	92,378	71,436
Marketing and advertising	8,894	44,971
Consultants and management	21,955	31,895
Others	7,785	3,592
Total other expenses	131,012	151,894
<i>(iii) Depreciation</i>		
Fixtures and fittings	1,255	2,581
Plant and equipment	2,851	3,601
Computer equipment	9,991	13,177
Total depreciation	14,097	19,359

6 Income tax expense

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Income tax expense	294	25,054

7 Cash and cash equivalents

	31 December 2019 \$	31 March 2019 \$
Current assets		
Cash at bank and on hand	65,719	112,780

8 Financial assets at amortised cost

	31 December 2019 \$	31 March 2019 \$
Current assets		
Other receivables	100,123	41,021

9 Other assets

	31 December 2019			31 March 2019		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Prepayments	29,568	-	29,568	54,780	-	54,780
Security and accommodation deposits	-	56,764	56,764	-	57,912	57,912
	29,568	56,764	86,332	54,780	57,912	112,692

10 Non-current assets - Property, plant and equipment

	Plant and equipment \$
Non-current assets	
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
Year ended 31 December 2019	
Opening net book amount	37,103
Exchange differences	(74)
Depreciation charge	(14,097)
Closing carrying amount	22,932
At 31 December 2019	
Cost	55,844
Accumulated depreciation	(32,912)
Carrying amount	22,932

11 Deferred tax assets

	31 December 2019	31 March 2019
	\$	\$

The balance comprises temporary differences attributable to:

Depreciation	617	630
Provisions for employee benefits	3,006	3,066
Total deferred tax assets	3,623	3,696

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

	Depreciation \$	Provisions \$	Total \$
Movements			
At 1 April 2019	630	3,066	3,696
(Charged)/credited - to profit or loss	(13)	(60)	(73)
At 31 December 2019	617	3,006	3,623

12 Payables

	31 December 2019	31 March 2019
	\$	\$
Current liabilities		
Trade payables	86,552	80,972
Related party payables	29,745	53,598
Other payables	31,928	110,802
	148,225	245,372

13 Contributed equity

Share capital

	31 December 2019	31 March 2019
	\$	\$
Fully paid	2,191	2,191

14 Reserves and retained surplus

(a) Reserves

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Foreign currency translation reserve	<u>(35,212)</u>	<u>(14,366)</u>

Movements:

Foreign currency translation reserve

Balance 1 April	(14,366)	-
Currency translation differences arising during the financial year	<u>(20,846)</u>	<u>(14,366)</u>
Balance 31 December/March	<u>(35,212)</u>	<u>(14,366)</u>

(b) Retained surplus

Movements in retained surplus were as follows:

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Balance 1 April	74,095	-
Net profit for the period	<u>89,430</u>	<u>74,095</u>
Balance 31 December/March	<u>163,525</u>	<u>74,095</u>

15 Key management personnel disclosures

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

A Murphy

S Joseph Star

Total remuneration for S Joseph for the period from 1 April 2019 to 31 December 2019 is amounting to \$21,416. The remuneration of other key management personnel was borne by the ultimate parent entity.

16 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 2019 to 31 December 2019	Period from 1 April 2018 to 31 March 2019
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial reports	13,016	12,954
Total remuneration for audit and other services	13,016	12,954

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

17 Contingencies

The Partnership had no contingent assets or liabilities at 31 December 2019 (31 March 2019: nil).

18 Commitments

(a) Lease commitments

Non-cancellable operating leases

From 1 January 2019, the partnership has applied a practical expedient to account for operating leases with a remaining lease term of less than 12 months on 1 January 2019 classified as short-term leases. Hence no leases recognise in the statement of financial position.

	31 December 2019	31 March 2019
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	76,411

19 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:

	Period from 1 April 2019 to 31 December 2019	Period from 1 April 2018 to 31 March 2019
	\$	\$
Consulting service income	678,771	796,402

19 Related party transactions (continued)

(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:

	31 December 2019 \$	31 March 2019 \$
Payables to Insearch Limited	(29,745)	(53,598)

20 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.

21 Cash flow information

Reconciliation of surplus for the period to net cash (outflow)/inflow from operating activities

	Period from 1 April 2019 to 31 December 2019 \$	Period from 1 April 2018 to 31 March 2019 \$
Profit for the period	89,430	74,095
Adjustments for		
Depreciation	14,097	19,359
Change in operating assets and liabilities,		
Increase in financial assets at amortised cost	(59,102)	(44,717)
Decrease/(increase) in other assets	26,360	(112,692)
(Decrease)/Increase in payables	(97,147)	245,372
Net cash (outflow)/inflow from operating activities	<u>(26,362)</u>	<u>181,417</u>

END OF AUDITED FINANCIAL STATEMENTS

In the Partners' opinion:

- (a) the financial statements and notes set out on pages 1 to 17 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 December 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 the Partners.



A Murphy
Partner

Sydney
23 March 2020