SUBEX (ASIA PACIFIC) PTE. LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
Reg No: 200309672N

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED - 31 MARCH 2021

CONTENTS	**PAGE**

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present their statement to the member together with the audited financial statements of Subex (Asia Pacific) Pte. Limited (the "Company") for the financial year ended 31 March 2021.

1. Opinion of the directors

In the opinion of the directors,

a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; 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.

2. Directors

The directors of the Company in office at the date of this report are:

HAMISH ALEXANDER CHRISTIE

PADMANABHAN VINOD KUMAR

VENKATRAMAN GOPALASAMUDRAM SRINIVASAN

3. Arrangements to enable directors to acquire shares or debentures

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 in, or debentures of the Company or any other body corporate.

4. Directors' interest in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Shares in the ultimate holding company Subex Limited Name of the Director	Equity Shares of INR 5 each At the beginning of the year	 At the end of the year
Padmanabhan Vinod Kumar	444,095	444,095
Venkatraman Gopalasamudram Srinivasan	-	275,000

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

6. Independent Auditor

The independent auditor, MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

VENKATRAMAN GOPALASAMUDRAM SRINIVASAN
DIRECTOR

SUBEX (ASIA PACIFIC) PTE. LIMITED

HAMISH ALEXANDER CHRISTIE
DIRECTOR

Date: May 12, 2021

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUBEX (ASIA PACIFIC) PTE LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Subex (Asia Pacific) Pte Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2021 and of the financial performance, changes in equity and cash flows of the Company for the year then 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 Auditor's 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 (ACRA) 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. The other information comprises the Directors' Statement [set out on pages 2 to 3].

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 unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787.
TEL: (065) 6293 8089/6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

G. Natarajan, P.S. Somasekharan, D. Govindaraj

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUBEX (ASIA PACIFIC) PTE LIMITED (Continued)

Responsibilities of Management and Directors for the Financial Statements (continued)

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.

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 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 skepticism 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 Company'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 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 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 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 control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUBEX (ASIA PACIFIC) PTE LIMITED (Continued)

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.

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore
Date: 12 May 2021

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current assets			
Plant and equipment	9	231	697
		231	697
Current assets			
Cash and cash equivalents	10	856,755	864,757
Trade and other receivables	11	3,009,189	1,955,823
Due from related parties - trade	12	317,582	1,045,485
Due from a related party - non-trade	13	-	374,358
		4,183,526	4,240,423
TOTAL ASSETS		4,183,757	4,241,120
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	14	486,240	972,246
Contract liability	15	501,360	266,511
Due to related parties - trade	16	2,185,898	1,408,263
Provisions	17	102,454	57,193
		3,275,952	2,704,213
NET ASSETS		907,805	1,536,907
EQUITY			
Share capital	18	8,000,002	8,000,002
Accumulated (losses)		(7,092,197)	(6,463,095)
TOTAL EQUITY		907,805	1,536,907

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
REVENUE			
Sales	4	7,143,666	5,925,604
Cost of sales	5	(6,571,865)	(5,310,336)
Gross profit		571,801	615,268
Other income	6	11,427	122
		583,228	615,390
Expenses			
Administrative and other operating expenses		(1,054,985)	(420,100)
(Loss) / Profit before tax	7	(471,757)	195,290
Tax expense	8	(157,345)	(157,453)
(Loss) / Profit for the year, representing total comprehensive income for the year		(629,102)	37,837

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital S$	Accumulated (losses) S$	Total S$
At 1 April 2019	8,000,002	(6,500,932)	1,499,070
Total comprehensive income for the year	-	37,837	37,837
At 31 March 2020	**8,000,002**	**(6,463,095)**	**1,536,907**
At 1 April 2020	8,000,002	(6,463,095)	1,536,907
Total comprehensive income for the year		(629,102)	(629,102)
At 31 March 2021	**8,000,002**	**(7,092,197)**	**907,805**

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
(Loss) / Profit before tax		(471,757)	195,290
Adjustments for:			
Depreciation	9	466	543
Allowance for expected credit losses		358,814	
Intercompany receivables written off		347,919	
		235,442	195,833
Change in working capital:			
(Increase) / Decrease in trade and other receivables		(1,412,180)	613,071
(Decrease) / Increase in trade and other payables		(486,006)	707,622
Increase / (Decrease) in contract liability		234,849	(232,049)
Increase / (Decrease) in amount due to related parties		777,635	(511,098)
Decrease / (Increase) in amount due from related parties		754,342	(375,432)
Cash generated from operations		104,082	397,947
Tax paid		(112,084)	(166,468)
Net cash flows generated from operating activities		(8,002)	231,479
Cash flows from financing activities			
Amount financed from group companies		-	-
Net cash generated from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(8,002)	231,479
Cash and cash equivalents at 1 April		864,757	633,278
Cash and cash equivalents at 31 March	10	856,755	864,757

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

1. GENERAL INFORMATION

Subex (Asia Pacific) Pte. Limited (the "company") is incorporated as a limited liability Company and domiciled in the Republic of Singapore.

The principal activities of the Company are those of providing software solutions for fraud management and revenue assurance in the telecommunication industry.

There have been no significant changes in the nature of these activities during the financial year.

The Company's registered office and principal place of business address is located at 175 A, Bencoolen Street, #08-03, Burlington Square, Singapore 189650.

The Company's immediate holding company is Subex (UK) Limited, a company incorporated in the United Kingdom. The ultimate holding company is Subex Limited, a company incorporated in India.

The financial statements of the Company for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Plant and equipment

All items of plant and equipment are initially recorded at cost. All plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line basis to write off the cost of plant and equipment over their useful lives. The estimated useful lives are as follows:-

Furniture & fittings	5 years
Office equipment	5 years
Computers	4 years

Repairs and maintenance are taken to the profit and loss account during the financial year in which they are incurred. Interest on borrowings to finance the property, plant and equipment is capitalized during the year of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed. Full depreciation is provided in the year of the purchase and no depreciation is provided in the year of disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Income from services

The company is primarily engaged in providing Information technology services providing support services to customers viz Consulting, Design, Custom Application development, Systems integration, Implementation, Assurance and Placement services. The company recognized revenue at over time for its projects.

The company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

The Company principally operates fixed price contracts. Revenue is recognised when control over the products has been transferred to the customer over time, by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method). In applying the percentage of completion method, revenue recognised corresponds to the total project revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

For products whereby the Company does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the company performs under the contract.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Company recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Income from sale of software license

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation and other services by the Company, in which case revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

2.5 Income taxes

(i) Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

The liability method of tax effect accounting is adopted by the company. Deferred taxation is provided at the current taxation rate on all temporary differences existing at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.) The statutory tax rates enacted on the statement of financial position date is used to determine deferred income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Impairment of non-financial assets

The carrying amounts of the assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. All impairment losses are recognised in the profit and loss account. Recoverable amount is defined as the higher of value in use and net selling price.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. 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 if no impairment loss had been recognised.

2.7 Foreign currency transactions

Functional currency
Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company ("the functional currency"). The financial statements are prepared in Singapore dollars, which is the functional currency of the Company.

Transactions and balances
Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at statement of financial position date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they arise.

2.8 Related party

A related party is defined as follows:

(a) person or a close member of that person's family is related to the Company if that person:
- i. Has control or joint control over the Company;
- ii. Has significant influence over the Company; or
- iii. is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:
- i. The entity and the Company are members of the same (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- vi. The entity is controlled or jointly controlled by a person identified in (a);
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Related party (Continued)

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

2.9 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

De-recognition

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has 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, financial liabilities that are not carried at fair value through profit or loss 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.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.12 Cash and cash equivalents

Cash and cash equivalents are stated in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, and with banks.

2.13 Share Capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (Continued)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.15 Employee benefits

Defined Contribution plans

Defined contribution plans are post – employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions, if any of the funds does not have sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contributions to defined contribution plans are recognised in the financial year to which they relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.1 Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

This information about the ECLs on the Company's trade receivables is disclosed in Note 22.

The carrying amounts of the Company's trade receivables as at 31 March 2021 were S$ 1,871,732 (2020: S$ 1,374,007).

4. REVENUE

	2021	2020
	S$	S$
Sale of software licenses	**1,551,827**	236,423
Implementation and support services	**4,321,712**	3,699,155
Marketing and allied services	**1,270,127**	1,990,026
	7,143,666	**5,925,604**

Timing of transfer of goods and services	2021	2020
	S$	S$
Over time	**5,981,639**	5,689,181
At a point in time	**1,162,027**	236,423
	7,143,666	**5,925,604**

4. REVENUE (CONTINUED)

Recognition of project revenue over time

For the project revenue where the Company satisfies its performance obligations over time, management has determined that input method provides a faithful depiction of the Company's performance in transferring control to the customers, as it reflects the Company's efforts incurred to date relative to the total inputs expected to be incurred for the satisfaction of performance obligations. The measure of progress is based on the labour man hours expended to date as a proportion of total labour man hours expected to be incurred up to the satisfaction of performance obligation.

The determination of actual labour man hours expended towards satisfaction of performance obligations and remaining labour man hours that will be expended for the satisfaction of performance obligations of each contract requires significant management judgement and estimation. The management relies on past experience and knowledge of the project engineers to make estimates of the labour man hours to be expended. In making these estimates, management takes into consideration the historical trends of the labour man hours expended on other similar projects in the past.

Contract liabilities

Contract liabilities relate to the Company's obligation to provide support services to its customers for which the Company has received advances from its customers. Contract liabilities are recognized as revenue over the period of time as it renders the support services to its customers. Revenue recognized during the year which was included in the Contract liabilities balance at the beginning of the year was S$ 266,511 (2020: S$ 498,560).

Contract balances

	2021	**2020**	**April 1, 2019**
	S$	**S$**	**S$**
Trade receivables	**1,871,732**	1,374,007	1,254,774
Contract assets	**1,078,836**	527,054	1,292,215
Contract liabilities	**501,360**	266,511	498,560

5. COST OF SALES

	2021	**2020**
	S$	**S$**
Sub-contracting charges	**5,697,335**	3,817,512
Salaries, wages and allowances	**784,778**	764,590
Provident fund and other fund contributions	**5,448**	5,406
Other professional Charges	**84,304**	84,782
Purchases	**-**	638,046
	6,571,865	**5,310,336**

6. OTHER INCOME

	2021 S$	2020 S$
Government grant	11,427	122
	11,427	122

7. (LOSS) / PROFIT BEFORE TAX

The following items have been included in arriving at (loss) / profit before tax

	2021 S$	2020 S$
Staff costs		
- Salaries, wages, allowances and recruitment charges	(784,778)	(764,590)
- Provident fund and other fund contributions	(5,448)	(5,406)
Commission on sales	(166,970)	(150,239)
Allowance for expected credit losses	(358,814)	-
Intercompany receivables written off	(347,919)	-
Short term lease rental expenses (note 21)	(43,038)	(46,170)
Travelling and conveyance	(39,466)	(114,608)

8. TAX EXPENSE

The major components of income tax expense recognised in profit or loss for the years ended 31 March 2021 and 2020 were:

	2021 S$	2020 S$
Current income tax		
Current year	-	8,106
Foreign withholding tax expense	157,345	149,347
Income tax expense recognised in profit or loss	157,345	157,453

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 2020 were as follows:

	2021 S$	2020 S$
(Loss) / profit before taxation	(471,757)	195,290
Tax at statutory rate of 17% (2020:17%)	(80,199)	33,199
Adjustments:		
Income subjected to tax in a different jurisdiction	30,250	(13,527)
Non-deductible expenses	1,480	92
Partial tax exemption	-	(11,658)
Deferred tax asset not recognized	78,719	
Benefits from previously unrecognized tax losses	(30,250)	-
Foreign withholding tax expense	157,345	149,347
	157,345	157,453

Deferred tax assets on carry forward losses are not recognized due to uncertainty of the realization.

9. PLANT AND EQUIPMENT

2021	FURNITURE & FIXTURES	OFFICE EQUIPMENT	COMPUTERS	TOTAL
	S$	S$	S$	S$
Cost				
At 01 April 2020	**111,743**	**38,875**	**128,440**	**279,058**
Additions	-	-	-	-
At 31 March 2021	**111,743**	**38,875**	**128,440**	**279,058**
Accumulated depreciation				
At 01 April 2020	**111,743**	**38,875**	**127,743**	**278,361**
Depreciation charged during the year	-	-	**466**	**466**
At 31 March 2021	**111,743**	**38,875**	**128,209**	**278,827**
Carrying amount as at 31 March 2021	-	-	**231**	**231**

2020	FURNITURE & FIXTURES	OFFICE EQUIPMENT	COMPUTERS	TOTAL
	S$	S$	S$	S$
Cost				
At 01 April 2019	111,743	38,875	128,440	279,058
Additions	-	-	-	-
At 31 March 2020	**111,743**	**38,875**	**128,440**	**279,058**
Accumulated depreciation				
At 01 April 2019	111,743	38,875	127,200	277,818
Depreciation charged during the year	-	-	543	543
At 31 March 2020	**111,743**	**38,875**	**127,743**	**278,361**
Net carrying amount as at 31 March 2020	-	-	**697**	**697**

10. CASH AND CASH EQUIVALENTS

	2021	2020
	S$	S$
Cash on hand	-	-
Cash at bank	**856,755**	864,757
Total cash and cash equivalents	**856,755**	**864,757**

Cash and cash equivalents are denominated in the following currencies:

	2021	2020
	S$	S$
United States dollar	**131,047**	44,850
Australian dollar	**608,819**	376,797
Singapore dollar	**116,889**	443,110
	856,755	**864,757**

11. TRADE AND OTHER RECEIVABLES

	2021 S$	2020 S$
Trade receivables	**2,230,546**	1,374,007
Contract assets	**1,078,836**	527,054
Less: Provision for expected credit losses	**(358,814)**	-
	2,950,568	**1,901,061**
Other receivables		
Deposits	**19,282**	19,332
Prepayments	**19,250**	
Advances to employees	**1,132**	7,549
Advance to suppliers	**13,523**	21,743
Advance fringe benefit tax	**5,434**	6,138
Total trade and other receivables	**3,009,189**	**1,955,823**

Trade and other receivables are denominated in the following currencies:

	2021 S$	2020 S$
United States dollar	**152,408**	119,256
Australian dollar	**1,655,446**	460,481
Singapore dollar	**62,055**	926,943
Malaysian ringgit	**1,139,280**	449,143
	3,009,189	**1,955,823**

Trade receivables are non-interest bearing and are generally on 30 to 90 days' term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses
Trade receivable amounting to S$ 358,814 was identified to be credit impaired. The information about the ECLs on the Company's trade receivables is disclosed in Note 22. The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	2021 S$	2020 S$
At 1 April	-	-
Provision for expected credit losses	**358,814**	-
At 31 March	**358,814**	-

12. DUE FROM RELATED PARTIES-TRADE

	2021 S$	2020 S$
Intermediate holding company	**219,963**	969,535
Ultimate holding company	**4,790**	27,633
Other related parties-fellow subsidiaries	**92,829**	48,317
Total due from related parties - trade	**317,582**	**1,045,485**

These amounts of trade receivables are unsecured, non-interest bearing and are generally on 30 to 90 days' terms.

These receivables are denominated in the following currencies:

	2021 S$	2020 S$
United States dollar	-	69,538
Singapore dollar	**317,582**	975,947
	317,582	**1,045,485**

13. DUE FROM RELATED PARTIES-NON TRADE

	2021	2020
	S$	S$
Other related party - fellow subsidiary	-	374,358
Total due from related party - non-trade	-	374,358

The amount receivable from the fellow subsidiary was written off during the year. The amount due from fellow subsidiary was unsecured and was receivable on demand.

This receivable was denominated in the following currency:

	2021	2020
	S$	S$
United States dollar	-	374,358
	-	374,358

14. TRADE AND OTHER PAYABLES

	2021	2020
	S$	S$
Trade creditors	232	625,234
Fringe benefit tax payable	7,382	6,138
Withholding tax (payroll) payable	7,031	6,522
Other payables	8,721	9,196
GST payable	124,916	51,485
Accruals	337,958	273,671
Total trade and other payables	486,240	972,246

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 60 days' terms.

Trade and other payables are denominated in the following currencies:

	2021	2020
	S$	S$
United states dollars	8,953	621,154
Australian dollars	7,702	68,325
Singapore dollars	469,585	282,767
	486,240	972,246

15. CONTRACT LIABILITY

	2021	2020
	S$	S$
Contract liability	501,360	266,511

This represents advance billing on services rendered.

Contract liability is denominated in the following currencies

	2021	2020
	S$	S$
Singapore dollar	501,360	266,511

16. DUE TO RELATED PARTIES-TRADE

	2021	2020
	S$	S$
Intermediate holding company	**2,003,712**	691,727
Ultimate holding company	**182,186**	551,540
Other related parties-fellow subsidiaries	-	164,996
	2,185,898	**1,408,263**

Amounts due to related parties (trade) are normally settled on 30 to 90 days' terms.

Due to related parties are denominated in the following currencies:

	2021	2020
	S$	S$
United States dollar	-	6,247
Singapore dollar	**2,185,898**	1,400,129
Indian rupee	-	1,887
	2,185,898	**1,408,263**

17. PROVISIONS

A provision is recognised for the expected amount of tax that is likely to be withheld by the customers at the time of effecting their payments to the Company and for income tax payable. Assumptions used to calculate the provision were based on current information available and to the best knowledge and experience of the management.

	2021	2020
	S$	S$
Provision for withholding tax deductible	**74,180**	28,919
Provision for income tax	**28,274**	28,274
	102,454	**57,193**

18. SHARE CAPITAL

	2021	2020
	S$	S$
Issued and fully paid up		
8,000,002 Ordinary shares (2020: 8,000,002) with no par value	**8,000,002**	**8,000,002**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

19. CAPITAL MANAGEMENT

The company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

The Board of Directors monitors its capital based on gearing ratio. Gearing ratio is computed as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The company is not subject to any externally imposed capital requirements.

	2021	2020
	S$	S$
Net debt	**1,815,383**	**1,515,752**
Total equity	**907,805**	**1,536,907**
Total Capital	**2,723,188**	**3,052,659**
Gearing ratio	**0.67**	**0.50**

20. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

In addition to the related party information disclosed elsewhere in the financial statements of the Company the following are related parties transactions during the financial year ended 31 March 2021 and were at terms and rates agreed between the parties.

	2021 S$	2020 S$
Revenue from Support services (Marketing and allied services):		
- Ultimate holding company	**-**	3,430
- Intermediate holding company	**1,210,594**	1,935,180
- Fellow subsidiary	**59,533**	51,416
Sub-contracting charges:		
- Ultimate holding company	**(1,618,373)**	(1,277,574)
- Intermediate holding company	**(4,165,279)**	(2,387,236)
- Fellow subsidiary	**86,317**	(152,702)
Foreign exchange loss recovered from:		
- Intermediate holding company	**59,222**	72,492
- Ultimate holding company	**4,790**	29,146
- Fellow subsidiary	**1,907**	32
Foreign exchange loss recovered by:		
- Ultimate holding company	**(32,774)**	(30,950)
- Intermediate holding company	**(40,283)**	(29,680)
- Fellow subsidiary		(12,294)
Payments made on behalf and reimbursable by:		
- Intermediate holding company	**47,948**	-
- Immediate holding company		109,855
Payments made on behalf and reimbursable to:		
- Immediate holding company		(126,687)
- Intermediate holding company	**(192,445)**	(30,006)
- Fellow subsidiary		(1,090)
Professional Charges:		
- Paid to companies controlled by a common director	**(8,857)**	(9,437)
Director fees	**(2,000)**	(2,000)

Balance outstanding

Outstanding balances to related parties at 31 March 2021 within 12 months of the statement of financial position date are disclosed in Note 12, 13 and 16

21 LEASES

Company as a lessee

The Company has a lease with lease term of less than 12 months. The Company applies the 'short-term lease' recognition exemption for this lease.

<u>(a) Amounts recognized in profit or loss</u>

	2021 S$	2020 S$
Lease expense not capitalized in lease liability		
Expense relating to short-term lease	**43,038**	46,170

<u>(b) Total cash outflow</u>

The Company had total cash outflow for lease of S$ 43,038 (2020 - S$ 46,170) during the financial year ended 31 March 2021

22. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Market risk

i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimize credit risk, the Company has developed and maintained the Company's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators.
- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

i) Credit risk (continued)

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The following table lists the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

i) Credit risk (continued)

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 March 2021						
Trade receivables	11	Refer note below	Lifetime ECL (simplified)	2,230,546	(358,814)	1,871,732
Other receivables	11	I	12-month ECL	20,414	-	20,414
Contract assets	11	Refer note below	Lifetime ECL (simplified)	1,078,836	-	1,078,836
Due from related parties - trade	12	Refer note below	Lifetime ECL (simplified)	317,582	-	317,582
					(358,814)	
31 March 2020						
Trade receivables	11	Refer note below	Lifetime ECL (simplified)	1,374,007	-	1,374,007
Other receivables	11	I	12-month ECL	26,881	-	26,881
Contract assets	11	Refer note below	Lifetime ECL (simplified)	527,054	-	527,054
Due from related parties - trade	12	Refer note below	Lifetime ECL (simplified)	1,045,485	-	1,045,485
Due from a related party - non-trade	13	Refer note below	Lifetime ECL (simplified)	374,358	-	374,358
					-	

Note –

For trade receivables, Contract assets, Due from related parties – trade, Due from a related party - non-trade the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Past due Less than 30 days overdue S$	30 to 90 days overdue S$	Total S$
31-Mar-21			
Estimated total gross carrying amount at default	46,879	-	46,879
ECL	-	-	-
			46,879
31-Mar-20			
Estimated total gross carrying amount at default	217,769	242,301	460,070
ECL	-	-	-
			460,070

As at 31 March 2021, management has identified a trade receivable balance amounting to S$ 358,814 (2020 - Nil) from a debtor to be credit impaired. Hence, management has assessed the recoverability of this outstanding balance separately from the provision matrix above.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

i) Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure of credit risk

The Company has no significant concentration of credit risk other than trade receivable balance from one debtor (2020: two debtors) and one related party (2020: one related party) amounting to S$ 1,305,705 (2020: S$ 805,603) and S$ 306,280 (2020: S$ 969,535), respectively. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Loan to a related company

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any financial instruments which bears a variable interest rate.

iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates and sells its products/services in countries other than Singapore and transacts in other significant currencies such as United States dollars (USD), Australian Dollar (AUD) and Malaysian ringgit (MYR). As a result, the company is exposed to movements in foreign currencies exchange rates.

Sensitivity analysis for foreign currency risk

The Company's material currency exposures which are mainly in USD, AUD and MYR at the reporting date is as follows:

		2021			2020	
	USD	AUD	MYR	USD	AUD	MYR
	S$	S$	S$	S$	S$	S$
Financial assets:						
Cash and cash equivalents	131,047	608,819	-	44,850	376,797	-
Trade and other receivables	152,408	1,655,446	1,139,280	119,256	460,481	449,143
Due from related parties - trade	-	-	-	69,538	-	-
Due from related parties - Non trade	-	-	-	374,358	-	-
	283,455	2,264,265	1,139,280	608,002	837,278	449,143
Financial liabilities:						
Trade and other payables	8,953	7,702	-	621,154	68,325	-
Due to related parties - trade	-	-	-	6,247	-	-
	8,953	7,702	-	627,401	68,325	-
Currency exposures	274,502	2,256,563	1,139,280	(19,399)	768,953	449,143

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

iii) Currency risk (continued)

A 3% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss (after tax) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss (after tax)	
	2021	2020
	S$	S$
United States Dollar	**6,835**	(483)
Australian Dollar	**56,188**	19,147
Malaysian Ringgit	**28,368**	11,184

A 3% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

As per the Memorandum of Understanding entered between Company with its ultimate holding company (Subex Limited) and intermediate holding company (Subex Assurance LLP), it was agreed that Company will be insulated from foreign exchange fluctuation risks. Consequentially, any foreign exchange loss/ gain incurred/ earned by the Company was reimbursed /recovered to/ from either ultimate holding company or intermediate holding company.

iv) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarizes the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2021			
	Carrying amount	Contractual cash flows	One year or less	One to five years
Financial assets at amortised cost				
Cash and cash equivalents	**856,755**	856,755	856,755	-
Trade and other receivables	**2,970,982**	2,970,982	2,970,982	-
Due from related parties - trade	**317,582**	317,582	317,582	-
Total Financial assets at amortised cost	**4,145,319**	**4,145,319**	**4,145,319**	**-**
Financial liabilities measured at amortised cost:				
Trade and other payables	**346,911**	346,911	346,911	-
Due to related parties - trade	**2,185,898**	2,185,898	2,185,898	-
Total financial liabilities measured at amortised cost	**2,532,809**	**2,532,809**	**2,532,809**	**-**

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

	2020			
	Carrying amount	Contractual cash flows	One year or less	One to five years
Financial assets at amortised cost				
Cash and cash equivalents	**864,757**	864,757	864,757	-
Trade and other receivables	**1,927,942**	1,927,942	1,927,942	-
Due from related parties - trade	**1,045,485**	1,045,485	1,045,485	-
Due from related parties - Non trade	**374,358**	374,358	374,358	-
Total Financial assets at amortised cost	**4,212,542**	**4,212,542**	**4,212,542**	-
Financial liabilities measured at amortised cost:				
Trade and other payables	**908,101**	908,101	908,101	-
Due to related parties - trade	**1,408,263**	1,408,263	1,408,263	-
Total financial liabilities measured at amortised cost	**2,316,364**	**2,316,364**	**2,316,364**	-

23. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of the different categories of financial instruments is as follows:-

	2021 S$	2020 S$
Financial assets at amortised cost		
Cash and cash equivalents	**856,755**	864,757
Trade and other receivables	**2,970,982**	1,927,942
Due from related parties - trade	**317,582**	1,045,485
Due from related parties - Non trade	-	374,358
Total Financial assets at amortised cost	4,145,319	**4,212,542**
Financial liabilities measured at amortised cost:		
Trade and other payables	**346,911**	908,101
Due to related parties - trade	**2,185,898**	1,408,263
Total financial liabilities measured at amortised cost	2,532,809	**2,316,364**

24. FAIR VALUES

Cash and cash equivalents, trade and other receivables and other payables, amount due to and due from related parties

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

25. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 116 *Leases*: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

26. EVENTS OCCURRING AFTER THE REPORTING DATE

The Company has considered internal and certain external sources of information including economic forecasts, required to meet performance obligations and likely delays on contractual commitments while determining the possible impact that may result from the COVID-19 pandemic on various elements of financial results. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables and other receivables, but in this current climate there is an element of uncertainty.

Since a significant portion of Company's revenue comprises of support services which are recurring in nature, the management believes that there is limited impact of COVID-19, however, the Company will continue to monitor and assess the impact of COVID-19 on its business and will provide periodic updates as appropriate. The Company therefore regards the impact of COVID-19 as a non-adjusting post balance sheet event and no adjustments have been made to the financial statements as at 31 March 2021.

****

SUBEX (ASIA PACIFIC) PTE. LIMITED
(Incorporated in the Republic of Singapore)

(This does not form part of audited financial statements)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 S$	2020 S$
Revenue		
Sale of software licenses	**1,551,827**	236,423
Implementation and support services	**4,321,712**	3,699,155
Marketing and allied services	**1,270,127**	1,990,026
	7,143,666	**5,925,604**
Cost of services		
Cross Charges	**(5,697,335)**	(3,817,512)
Salaries, wages, allowances & recruitment charges	**(784,778)**	(764,590)
Provident fund and other fund contributions	**(5,448)**	(5,406)
Other professional Charges	**(84,304)**	(84,782)
Purchases	**-**	(638,046)
Cost of services total	**(6,571,865)**	**(5,310,336)**
Gross Profit	**571,801**	615,268
Other Income		
Government grant	**11,427**	122
	11,427	**122**
	583,228	**615,390**
EXPENSES		
Advertisements	**(12,227)**	(30,518)
Audit fees	**(12,000)**	(12,000)
Out of Pocket Expenses reimbursements	**(600)**	(600)
Bank charges	**(13,139)**	(17,658)
Allowance for expected credit losses	**(358,814)**	
Intercompany receivables written off – non-trade	**(347,919)**	-
Insurance	**(8,282)**	(10,775)
Commission on sales	**(166,970)**	(150,239)
Communication costs	**(4,995)**	(5,538)
Depreciation	**(466)**	(543)
Parking costs		(254)
Postage and courier charges	**(251)**	-
Printing and Stationary	**-**	(241)
Short term lease rental expenses	**(43,038)**	(46,170)
Repairs and maintenance	**(23,791)**	(21,431)
Software license	**(22,645)**	(4,313)
Subscription charges		(4,289)
Travelling and conveyance	**(39,466)**	(114,608)
Utilities	**(382)**	(923)
Total expenses	**(1,054,985)**	**(420,100)**
(Loss) / Profit for the year	**(471,757)**	**195,290**