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Company Registration No. 200808802R

IIFL Capital Pte. Ltd.

Directors' statement and Financial Statements

Year ended 31 March 2021

General information

Directors

Amit Garg
Raveen Pawar

Company Secretary
Neeraj Kumar

Registered Office
137 Telok Ayer Street
#04-08
Singapore 068602

Auditor
Deloitte & Touche LLP, Singapore

Index	**Page**

IIFL Capital Pte. Ltd.

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of IIFL Capital Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,
(a) the accompanying statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement together with notes thereto 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 financial year ended on that date; 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.

1. Directors

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

Amit Garg
Raveen Pawar

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

The directors of the Company who held office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by Company under Section 164 of the Singapore Companies Act, Chapter 50, except as follows:

	Direct interest	
Name of directors and companies in which interests are held	At the beginning of financial year	At the end of financial year
Ordinary shares of the related company (IIFL Wealth Management Limited)		
Amit Garg	4,773	-

	Direct interest	
Options to subscribe for ordinary shares of a related company (IIFL Wealth Management Limited)	At the beginning of financial year	At the end of financial year
Amit Garg	22,491	17,718

By virtue of Section 7 of the Singapore Companies Act, chapter 50, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

4. Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

(c) at the end of the financial year, there was no unissued shares of the Company under options.

5. Auditor

The auditors, Deloitte & Touche LLP, Singapore have expressed their willingness to accept re-appointment as auditor.

Amit Garg
Director

Raveen Pawar
Director

Singapore
10 May 2021

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IIFL Capital Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at 31 March 2021, and 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 ended on that date, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 29.

In our opinion, the accompanying financial statements of the Company 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 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises general information and the directors' statement set out on pages 1 to 2.

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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

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

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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

(d) 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.

(e) 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.

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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2021

IIFL Capital Pte. Ltd.
Statement of Financial Position as at 31 March 2021

	Note	As at 31 March 2021	As at 31 March 2020
		S$	S$
ASSETS			
Current assets			
a. Financial Assets			
i. Financial assets at fair value through profit or loss	4	12,924,779	-
i. Trade receivables	5	945,571	4,739,584
ii. Cash and cash equivalents	6	1,771,310	1,767,373
iii. Other receivables	7	49,844	45,794
b. Other Current Assets	8	77,641	17,975
Total current assets		**15,769,145**	**6,570,726**
Non-current assets			
a. Property, Plant and Equipment	9	39,272	40,045
b. Intangible assets	10	3,112,329	413,668
c. Right-of-use asset	11	77,415	57,766
Total non-current assets		**3,229,016**	**511,479**
Total Assets		**18,998,161**	**7,082,205**
LIABILITIES AND EQUITY			
Current liabilities			
Financial Liabilities			
i. Amount due to related companies	12	758,091	8,544
ii. Accrued expenses and other payables	13	1,851,671	2,139,698
iii. Lease liability	14	77,493	44,809
iv. Other payables		4,612	75
Total current liabilities		**2,691,867**	**2,193,126**
Non-current liabilities			
a. Financial Liabilities			
Accrued expenses and other payables	13	1,212,480	-
Total non-current liabilities		**1,212,480**	**-**
Equity			
a. Share capital	16	18,887,719	5,300,000
b. Accumulated Losses		(3,793,905)	(410,921)
Total Equity		**15,093,814**	**4,889,079**
Total Equity and Liabilities		**18,998,161**	**7,082,205**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL Capital Pte. Ltd.
Statement of profit or loss and other comprehensive income for the year ended 31 March 2021

	Note	2021	2020
		S$	S$
Revenue from operations	17	3,871,883	10,407,237
Other income	18	667,525	103,766
Total revenue		**4,539,408**	**10,511,003**
Expenses			
Employee's compensation and related costs	19	1,098,183	2,492,244
Finance cost		9,342	2,548
Office rental expenses		-	-
Depreciation and amortisation expense	9, 10 & 11	359,115	283,187
Net foreign exchange loss/(gain)		141,196	(70,615)
Fair value loss on financial assets at fair value through profit or loss		(23,030)	-
Other operating expenses	20	6,337,586	5,309,400
Total expenses		**7,922,392**	**8,016,764**
(Loss)/Profit before income tax		**(3,382,984)**	**2,494,239**
Income tax benefit	21	-	(78,579)
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year		**(3,382,984)**	**2,572,818**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL Capital Pte. Ltd.
Statement of changes in equity for the year ended 31 March 2021

	Share Capital	Accumulated losses	Total Equity
	S$	S$	S$
Balance at 1 April 2019	5,300,000	(2,983,739)	2,316,261
Profit for the year, representing total comprehensive income for the year	-	2,572,818	2,572,818
Balance at 31 March 2020	5,300,000	(410,921)	4,889,079
Issue of share capital, representing transactions with owners, recognised directly in equity	13,587,719	-	13,587,719
Loss for the year, representing total comprehensive loss for the year	-	(3,382,984)	(3,382,984)
Balance at 31 March 2021	18,887,719	(3,793,905)	15,093,814

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL Capital Pte. Ltd.

Cash flow statement for the year ended 31 March 2021

	2021	2020
	S$	S$
Cash flows from operating activities		
(Loss)/Profit before income tax	(3,382,984)	2,494,239
Adjustments for :		
Depreciation and amortisation expenses	359,115	283,187
Fixed assets written off	25,870	105,701
Intangible asset written off	382,163	-
Loss on termination of lease	-	27,551
Interest on lease liability	388	2,548
Interest expense	8,954	-
Realised gain on sale of financial assets at FVTPL	(514,517)	-
Fair value loss on financial assets at fair value through profit or loss	(23,030)	-
	(3,144,041)	2,913,226
Operating cash flows before movements in working capital		
Decrease/(Increase) in trade receivables	3,794,013	(4,398,914)
(Increase)/Decrease in other receivables	(4,050)	220,144
(Increase)/Decrease in other current assets	(59,666)	41,446
Increase in amount due to a related party	749,547	8,544
(Decrease)/Increase in accrued expenses and other payables	(296,981)	1,301,120
Increase/(Decrease) in other payables	4,537	(6,188)
	1,043,359	79,378
Less: Income tax refund	-	28,336
Less: Interest paid	(388)	(2,548)
Net cash flows generated from operating activities	1,042,971	105,166
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,982)	(646)
Purchase of intangible assets	(2,092,649)	-
Purchase of financial assets at FVTPL	(12,387,232)	-
Net cash flows used in investing activities	(14,536,863)	(646)
Cash flows from financing activities		
Issue of share capital	13,587,719	-
Payments on lease liabilities	(89,890)	(203,235)
Net cash flows from/(used in) financing activities	13,497,829	(203,235)
Net increase/(decrease) in cash and cash equivalents for the year	3,937	(98,715)
Cash and cash equivalents at beginning of year	1,767,373	1,866,088
Cash and cash equivalents at end of year (Note 6)	1,771,310	1,767,373

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1 *Corporate information*

IIFL Capital Pte. Ltd. (the "Company") is a private limited company incorporated in the Republic of Singapore whose registered office is at 137 Telok Ayer Street #04-08 Singapore 068602. In prior year, It is a wholly-owned subsidiary of IIFL (Asia) Pte. Ltd., a company incorporated in Singapore (the "immediate holding company"). However, during the year, IIFL Wealth Management Limited , a company incorporated in India, have acquired additional shares issued and became the new immediate holding company and the ultimate holding company.

The principal activity of the Company is to carry on its business in fund management and certain financial advisory services in Singapore.

On 4 June 2013, the Company was issued a Capital Markets Services License by the Monetary Authority of Singapore ("MAS") and licensed under the Securities and Future Act (Chapter 289) to conduct fund management. There was no significant change in nature of these activities during the financial year.

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue by the Board of Directors on 10 May 2021.

2 *Summary of significant accounting policies*

2.1 *Basis of accounting*

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs"). The financial statements are presented in Singapore dollars ("SGD" or "S$").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment* , leasing transactions that are within the scope of FRS 116 *Leases* , and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2020. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Descriptions	**Effective for annual periods beginning on or after**
Amendments to FRS 103: *References to the Conceptual Framework in FRS Standards*	1 January 2022
Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*	January 1, 2023

The management anticipates that the adoption of the above amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of its initial adoption.

2 ***Summary of significant accounting policies (cont'd)***

2.3 ***Financial instruments***

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.4 ***Financial assets***

Classification of financial assets

Financial assets that meet both the following conditions are measured at amortised cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and cash equivalents and trade and other receivables of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

2 *Summary of significant accounting policies (cont'd)*

2.4 *Financial assets (cont'd)*

Financial assets at FVTPL:

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortized cost (other than trade receivables)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

2 ***Summary of significant accounting policies (cont'd)***

2.4 ***Financial assets (cont'd)***

• an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

• significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

• existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

• an actual or expected significant deterioration in the operating results of the debtor;

• an actual or expected significant adverse change in the regulatory, economic, technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations; or

• significant changes in the expected performance and behavior of the borrower.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

2 ***Summary of significant accounting policies (cont'd)***

2.4 ***Financial assets (cont'd)***

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.5 ***Financial liabilities and equity instruments***

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Amount due to a related company, accrued expenses and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit and loss.

Equity instruments

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted from share capital.

2.6 ***Property, plant and equipment***

Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computers	-	3 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Leasehold improvement	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss and other comprehensive (loss)/income.

Fully depreciated assets still in use are retained in the financial statements.

2 ***Summary of significant accounting policies (cont'd)***

2.7 ***Impairment of non-financial assets***

At the end of each reporting period, the Company reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 ***Intangible assets***

Intangible assets acquired separately are reported at cost less accumulated amortization where they are considered to have finite useful lives and accumulated impairment losses (if any). Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of Intangible Assets

As at each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Acquisition of rights to operate, administrate and manage the sub-account of Prelude fund (2019: Ashburton fund) recognised as Intangible Asset as per FRS 38 is amortised over its useful life of 10 years.

2.9 ***Leases***

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease lease liability with respect to all leases arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2 ***Summary of significant accounting policies (cont'd)***
2.9 ***Leases (cont'd)***

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

<u>The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:</u>

The lease term has changed or there is a significant event or change in circumstances resulting in change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discounting rate (unless lease payments change is due to change in a floating interest rate, in which case a revised discounting rate is used); or

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.7

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating expenses' in the statement of profit and loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For the contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2 ***Summary of significant accounting policies (cont'd)***

2.10 ***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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.11 ***Revenue recognition***

Revenue from rendering services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Revenue from the provision of fund management services is recognised based on pre-defined rates over the Net Asset under Management of all managed funds as determined between the Company and its clients on an accrual basis. Performance fees are recognised when the quantum of fees can be measured reliably. Upfront and setup fees are recognised when the fees can be reliably measured. Business support fees are recognised when the fees can be reliably measured.

2.12 ***Employee benefits***

As required by law, the Company makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the financial period in which the related service is performed.

2.13 ***Income Taxes***

Income tax for the financial year comprises of current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2 ***Summary of significant accounting policies (cont'd)***

2.14 ***Foreign currency transactions***

Transactions in foreign currencies are measured in the functional currency are recorded on the initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.15 ***Cash and cash equivalents***

Cash and cash equivalents comprises of cash on hand, bank balances and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.16 ***Related parties***

A related party is defined as follows:

(a) 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 group (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); or
(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).

3 ***Significant accounting judgements and estimates***

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 ***Significant accounting judgements and estimates (cont'd)***

(a) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

<u>Determination of functional currency</u>
The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be SGD. Major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

(ii) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

<u>Useful life of Intangible assets</u>
As described in Note 2.8, the Company reviews the estimated useful life of intangible asset as at each reporting date. During the financial year, the Company has management rights over the fund (which is an open ended fund) as long as the fund the exists which is till perpetuity. However, management has determined that the estimated useful life to be 10 years which is based on the expected usage of the asset.

As at each reporting date, the Company determines whether there is any indication that its intangible assets have suffered an impairment loss and if any such indication exists, the recoverable amount of the asset is estimated. A considerable amount of judgement is required in assessing recoverable amount as the estimated future cash flows depend on the current and projection of future market conditions. If the market conditions were to deteriorate, an allowance for impairment may be required.

The carrying amounts of intangible asset at the end of the reporting period are disclosed in Notes 10 to the financial statements respectively.

		2021	2020
4	**Financial assets at fair value through profit or loss**	**S$**	**S$**
	Unquoted investments in funds	12,924,779	-
		12,924,779	**-**

The above investment are denominated in the USD currency

		2021	2020
5	**Trade receivables**	**S$**	**S$**
	Related party	-	4,559,040
	Third party	945,571	180,544
		945,571	**4,739,584**

Trade receivables are denominated in the following currencies:

	2021	2020
	S$	**S$**
United States dollars	877,474	4,721,008
Great Britain pound	9,246	-
Singapore dollars	58,851	-
Euro	-	18,576
	945,571	**4,739,584**

Trade receivables comprise management, performance and business support fee receivable.

Trade receivables are non-interest bearing and are generally on 90 days (2020: 90 days) credit terms. These are recognised at their original amounts which represent their fair value on initial recognition.

Trade receivables of both the years have ageing of less than 90 days and also not impaired.

The Company has not recognised any loss allowance as the ECL on trade receivables. It has immaterial effect to the Company's financial statements because of historical experience has indicated that all receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

6 Cash and cash equivalents

	2021	2020
	S$	**S$**
Cash at bank	1,771,310	1,767,373
	1,771,310	**1,767,373**

Cash and cash equivalents are denominated in the following currencies:

	2021	2020
	S$	**S$**
Singapore dollars	1,597,437	50,549
United States dollars	173,873	1,716,824
	1,771,310	**1,767,373**

		2021	2020
7	**Other receivables**	**S$**	**S$**
	Amount due from a related company (Refer note 22)	10,351	16,451
	Refundable deposits	28,150	18,000
	Advances	11,343	11,343
		49,844	**45,794**

Amount due from a related company is unsecured, interest-free and repayable on demand.

Management assessed the ECL impact on amount due from a related company and determined to be immaterial effect to the Company's financial statements. The loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

		2021	2020
8	**Other current assets**	**S$**	**S$**
	Prepaid expenses	77,641	17,975
		77,641	**17,975**

11 Right-of-use asset

	Office Space S$
Cost	
At 1 April 2019	333,458
Additions	112,470
Written off	(333,458)
At 31 March 2020	112,470
Additions	122,574
Written off	(112,470)
At 31 March 2021	122,574
Accumulated Depreciation	
At 1 April 2019	-
Depreciation charge for the year	190,894
Written off	(136,190)
At 31 March 2020	54,704
Depreciation charge for the year	102,925
Written off	(112,470)
At 31 March 2021	45,159
Net carrying amount	
At 31 March 2020	57,766
At 31 March 2021	77,415

Note: During the financial year, the Company terminated the old premise lease on 15th September, 2020. The right-of-use asset was fully depreciatied on termination. The Company entered into lease of new office premises, the lease term is from 1 September 2020 to 30 March 2022. This resulted in additions of right-of-use asset of SGD 122,574. (2020: The Company terminated the old premise lease on 15th September, 2019. This resulted in right-of-use asset of SGD 197,268 being written-off. The Company entered into lease of new office premises, the lease term is from 13 September 2019 to 30 September 2020. This resulted in additions of right-of-use asset of SGD 112,470.)

9 Property, plant & equipment

	Computers S$	Furniture and fittings S$	Office equipments S$	Leasehold improvements S$	Total S$
Cost					
At 1 April 2019	76,057	25,620	73,403	198,621	373,701
Additions	646	-	-	-	646
Written off	(48,381)	(25,620)	(21,426)	(198,621)	(294,048)
At 31 March 2020	28,322	-	51,977	-	80,299
Additions	-	45,811	11,171	-	56,982
Written off	(22,258)	-	(48,789)	-	(71,047)
At 31 March 2021	6,064	45,811	14,359	-	66,234
Accumulated Depreciation					
At 1 April 2019	61,557	24,732	24,726	76,183	187,198
Depreciation charge for the year	10,232	430	10,940	19,801	41,403
Written off	(47,803)	(25,162)	(19,398)	(95,984)	(188,347)
At 31 March 020	23,986	-	16,268	-	40,254
Depreciation charge for the year	3,119	16,805	11,961	-	31,885
Written off	(21,609)	-	(23,568)	-	(45,177)
At 31 March 2021	5,496	16,805	4,661	-	26,962
Net carrying amount					
At 31 March 2020	4,336	-	35,709	-	40,045
At 31 March 2021	568	29,006	9,698	-	39,272

10 Intangible assets

	Total S$
Cost	
At 31 April 2019	472,579
Additions	-
At 31 March 2020	472,579
Additions	3,305,129
Written off	(472,579)
At 31 March 2021	3,305,129
Accumulated Depreciation	
At April 1, 2019	8,021
Amortisation charge for the year	50,890
At March 31, 2020	58,911
Amortisation charge for the year	224,305
Written off	(90,416)
At 31 March 2021	192,800
Net carrying amount	
At 31 March 2020	413,668
At 31 March 2021	3,112,329

The intangible assets pertains to acquisition of rights to operate, administrate and manage the sub-account of Prelude Structured Alternatives Master Fund, LP (2020: Ashurton Fund). The intangible asset has finite useful lives and are amortised over their estimated useful lives of 10 years.

Out of S$3,305,129 total cost of intangible assets acquired during the year, only S$2,092,649 is paid and the remaining balance of S$1,212,480 is still unpaid as disclosed in Note 13.

12 Amount due to a related company

	2021 S$	2020 S$
Amount due to related company (Refer note 22)	758,091	8,544

Amount due to a related company is trade related, unsecured and interest-free.

Amount due to a related company are denominated in the following currencies:

	2021 S$	2020 S$
United States dollars	550,299	-
Canadian dollars	129,774	-
Great Britain pound	78,018	-
	758,091	**-**

13 Accrued expenses and other payables

	2021 S$	2020 S$
Accrued expenses	1,357,074	666,054
Salary payables	5,577	921,145
Other payables *	1,701,500	552,499
Total	**3,064,151**	**2,139,698**
Anaslyed as:		
Current	1,851,671	2,139,698
Non-current	1,212,480	-
	3,064,151	**2,139,698**

* Included in other payables is a liability arising from acquisition of intangible asset amounting to $ 1,212,480 (2020: Nil) subject to interest rate of 1% per annum. The remaining balance are unsecured, interest free and payable on demand.

Accrued expenses and other payables are denominated in the following currencies:

	2021 S$	2020 S$
Singapore dollars	89,163	978,263
United States dollars	2,325,381	778,397
Canadian dollars	-	145,667
Great Britain pound	649,607	237,371
	3,064,151	**2,139,698**

14 Lease liability

	2021 S$	2020 S$
On premises	77,493	44,809
	77,493	**44,809**

Maturity analysis:	2021 S$	2020 S$
Year 1	77,618	45,000
Less: Unearned interest	(125)	(191)
	77,493	**44,809**
Anaslyed as:		
Current	77,493	44,809
Non-current	-	-
	77,493	**44,809**

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's treasury function.

15 Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Financial liabilities	Other payables (Note 13) S$	Lease liability S$	Total S$
At 1 April 2019		-	-
Adoption of FRS 116	-	305,291	305,291
New lease	-	112,470	112,470
Financing cash flow	-	(203,235)	(203,235)
Write off on account of lease liability	-	(169,717)	(169,717)
At 31 March 2020	-	44,809	44,809
Acquisition of intangible assets	1,212,480	-	1,212,480
New lease	-	122,574	122,574
Financing cash flow	-	(89,890)	(89,890)
At 31 March 2021	1,212,480	77,493	1,289,973

16 Share Capital

	2021 No. of shares	2021 S$	2020 No. of shares	2020 S$
Issued and fully paid:				
At the beginning of the year	5,300,000	5,300,000	5,300,000	5,300,000
Issue of share capital	10,216,330	13,587,519	-	-
At the end of the year	15,516,330	18,887,519	5,300,000	5,300,000

The holder of ordinary shares is 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.

17 Revenue from Operations

	2021 S$	2020 S$
Investment / fund management fees	3,832,831	2,166,996
Performance, upfront and set up fees	39,052	41,661
Business support fees (Refer note 22)	-	8,198,580
	3,871,883	**10,407,237**

18 Other Income

	2020 S$	2019 S$
Interest income	-	2,136
Realised gain on sale of financial assets at FVTPL	514,517	-
Miscellaneous income	153,008	101,630
	667,525	**103,766**

19 Employee's compensation and related costs

	2021 S$	2020 S$
Staff salaries and bonuses	1,076,754	2,467,558
Contributions to defined contribution plan	14,280	8,160
Other short-term benefits	7,149	16,526
	1,098,183	**2,492,244**

Included in the employee's compensation and related costs are remuneration for directors and key management personnel amounting to $316,803 (2020: $284,858).

20 Other operating expenses

	2021 S$	2020 S$
Brokerage related expenses (Refer note 22)	1,967,200	2,822,925
Operations and fund management expenses	2,276,207	1,213,714
Marketing, advertisement and business promotion expenses	814	8,219
Bank charges	21,114	12,087
Communication	16,999	37,295
Electricity	1,245	1,850
Legal & professional fees	1,388,535	726,291
Miscellaneous expenses	(1)	(15)
Office expenses	15,012	65,529
Postage & courier	2,846	7,888
Printing & stationery	2,911	5,332
Manpower outsource expenses (Refer note 22)	60,000	60,000
Insurance	21,520	29,630
Repairs & maintenance	534	1,178
Fixed assets and intangible assets written off	408,033	105,701
Loss on termination of lease	-	27,551
Remuneration to Auditors :		
Audit fees	73,000	42,380
Software charges / technology cost	80,038	52,750
Travelling & conveyance	1,579	89,095
	6,337,586	**5,309,400**

21 Income tax benefit

Major components of Income tax benefit	2021 S$	2020 S$
Current income tax:		
- Current income taxation	-	-
- Overprovision in respect of prior year	-	(78,579)
	-	**(78,579)**

The income tax credit/expense varied from the account of income tax expense determined by applying the Singapore tax rate of 17% (2020: 17%) to profit/(loss) before income tax as a result of the following differences:

	2021 S$	2020 S$
(Loss)/Profit before tax	(3,382,984)	2,494,239
Tax at statutory tax rate of 17% (2020 :17%)	(575,107)	424,021
Adjustments :		
Non-deductible expenses	43,768	13,592
Overprovision in respect of prior year	-	(78,579)
Non-taxable income	(91,383)	-
Unrecognised (utilisation of) tax losses	622,722	(437,613)
Income tax benefit recognised in profit or loss	**-**	**(78,579)**

Subject to the agreement by the Comptroller of Income Tax, at the end of the reporting period, the Company has unutilised tax losses carry forwards of S$ 3,663,070(31 March 2020: $Nil) available for offsetting against future taxable income.

22 Related party transactions

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

Significant Related party transactions:

		2021	2020
(a)	**Revenues**	**S$**	**S$**
	Fees from IIFL Asset Management (Mauritius) Limited:		
	- Management fee	724,368	-
	- Business support fees	-	8,198,580

		2021	2020
(b)	**Expenses**	**S$**	**S$**
	Referral fees to:		
	- IIFL Securities Pte. Ltd.	176,658	34,578
	Business support fees to:		
	- IIFL Private Wealth Management (Dubai) Limited	563,980	332,412
	- IIFL Capital (Canada) Limited	296,619	567,651
	- IIFL Wealth (UK) Ltd	502,082	1,404,377
	Brokerage fee expense to:		
	- IIFL Wealth (UK) Ltd	68,998	289,606
	Manpower outsourcing fees to:		
	- IIFL Distribution Services Private Limited	60,000	60,000

		2021	2020
(c)	**Compensation of key management personnel**	**S$**	**S$**
	Salaries and bonuses	316,803	948,147
	CPF contributions	-	17,340
	Amounts paid to directors of the Company	316,803	965,487

		2021	2020
(d)	**Amounts due to a related companies**	**S$**	**S$**
	- IIFL Securities Pte. Ltd.	48,315	8,544
	- IIFL Private Wealth Management (Dubai) Limited	501,984	-
	- IIFL Capital (Canada) Limited	129,774	-
	- IIFL Wealth (UK) Ltd	78,018	
		758,091	8,544

		2021	2020
(e)	**Amounts due from a related company**	**S$**	**S$**
	IIFL Securities Pte. Ltd.	10,351	16,451

(f) During the year, the Company has allocated cost of SGD 67,115 (2020: SGD 180,991) to IIFL Securities Pte. Ltd and received cost allocation of SGD 9,117 (2020: 15,125). This transactions are towards common facilities used between both the entities.

23 Lease arrangements

Disclosure required by FRS 116

At 31 March 2021, the company is committed to $ 77,618 (2020: $ 45,000) for short-term lease liabilities.

24 Financial instruments, financial risk and capital management

24.1 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2021 S$	2020 S$
Financial assets		
Financial assets at fair value through profit or loss	12,924,779	-
Financial assets at amortised cost		
Trade receivables	945,571	4,739,584
Other receivables	39,493	29,343
Cash and cash equivalents	1,771,310	1,767,373
Amounts due from a related company	10,351	16,451
Total financial assets	**15,691,504**	**6,552,751**
Financial liabilities		
Financial liabilities at amortised cost		
Amounts due to a related company	758,091	8,544
Trade payables	3,064,151	2,139,698
Lease liability	77,493	44,809
Other payables	4,612	75
Total financial liabilities	**3,904,347**	**2,193,126**

24.2 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements.

24.3 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and cash equivalents for the Company's daily operations. The Company has various financial assets and liabilities such as Financial assets at fair value through profit or loss, trade and other receivables, amount due to related company and accrued expenses and other payables, which arise directly from its operations.

The Company does not hold or issue derivative financial instruments for speculative purposes. There has been no change to the Company's exposure to these financial risks or the matter in which it manages and measures the risk.

The financial risks arising from the Company's operations are credit risk, foreign currency risk and liquidity risk. The Board of directors review and agrees policies for managing each of these risks and they are summarised below:

24 Financial instruments, financial risk and capital management (cont'd)

24.3 Financial risk management objectives and policies (cont'd)

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from amounts due from related companies and other receivables. The cash and cash equivalents are placed with a financial institution with good credit rating.

The Company attempts to minimise its credit risk by evaluating and monitoring the credit exposure to its related companies, third party receivables and financial assets at FVPTL. The Company adopted the policy of only dealing with credit worthy counterparties to mitigate the risk of financial loss from default.

Exposure to credit risk arising from related party transactions is minimal as these companies are of high credit quality and loans are of short duration. The carrying amount of financial assets recorded in the statement of financial position represent the Company's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

As at the end of the reporting period, the Company has no financial asset that is past due or impaired. Management considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly and individually insignificant to the Company.

(b) *Foreign currency risk*

Foreign currency risk is the risk that arises from the change in price of one currency against another because of changes in foreign

The Company is exposed to movements in the foreign currency exchange rates other than in its functional currency, the SGD. The Company reviews its exposure to foreign currency risk on a regular basis.

As at 31 March 2021, the Company's cash and cash equivalents, financial assets at FVTPL trade receivables and accrued expenses are exposed to approximately S$ 11,100,446 (2020: S$ 5,650,891) of United States dollars ("USD" or "US$"), (S$718,379) (2020: S$ 237,371) of British Pound ("GBP"), (S$ 129,774) (2020: S$ 145,667) of Canadian dollar ("CAD") and S$ NIL (2020: S$ 18,576) of Euros.

The following table demonstrates the sensitivity of the Company's Equity and Profit and Loss accounts resulting from a reasonable possible change in USD, GBP, CAD, EUR against SGD, with all other variables held constant:

	2021	2020
	S$	S$
USD - strengthened by 5% (2020: 5%)	555,022	282,545
USD - weakened by 5% (2020: 5%)	(555,022)	(282,545)
GBP - strengthened by 5% (2020: 5%)	(35,919)	(11,869)
GBP - weakened by 5% (2020: 5%)	35,919	11,869
CAD - strengthened by 5% (2020: 5%)	(6,489)	(7,283)
CAD - weakened by 5% (2020: 5%)	6,489	7,283
EUR - strengthened by 5% (2020: 5%)	-	929
EUR - weakened by 5% (2020: 5%)	-	(929)

(c) *Liquidity risk*

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due and it results from amounts and maturity mismatches of assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient liquid financial assets.

Maturity analysis of financial liabilities

All Financial liabilities in 2021 and 2020 are repayable on demand or due within 1 year from the end of the reporting date except for payment to Alpha 9 Consultancy Pte. Ltd.

24 Financial instruments, financial risk and capital management (cont'd)
24.3 Financial risk management objectives and policies (cont'd)

(d) *Interest rate risk*

Interest rate risk refers to the risk of adverse impact on the Company due to fluctuation in interest rates.

The Company does not have significant exposure to interest rate risk at the end of the reporting period as it does not hold significant interest bearing financial assets and/or financial liabilities.

(e) Fair value of financial instruments

The company determines fair value of various financial instruments in the following manner:

Fair value of the Company's financial instruments that are measured at fair value on a recurring basis

Certain of the Company's financial instruments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial instruments are determined.

Financial assets/financial liabilities	2021	2020	Valuaton technique and key inputs	Fair Value hirearchy
	S$	S$		
Financial assets at fair value through profit & loss account:				
Unqouted equity funds	12,924,779	-	Latest available Net asset value of the funds	Level 3

The unobservable inputs represents the net asset value of the funds which management has determined represents fair value at the end of the reporting period being the investments of the funds are highly liquid investments. Any 10% increase/decrease in the net asset value of the unquoted funds will result in increase/decrease in profit (loss) for the year by S$ 1,281,159.

There were no significant transfers between different levels of the fair value hierarchy in 2021 and 2020.

Reconciliation of Leval 3 fair value measurements for FVTPL:	2021 S$	2020 S$
Beginning balance	-	-
Total losses in profit & loss account	537,547	-
Purchases	16,038,520	-
Disposals	(3,651,288)	-
Closing balance	**12,924,779**	**-**

Fair value of the Company's financial instruments that are not measured at fair value on a recurring basis but disclosure is required

The carrying amounts of all other financial assets and liabilities reported in the statement of financial position approximate the fair values of those assets and liabilities due to their relatively short-term maturity of these financial instruments.

(f) Capital management policies and objectives

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains sufficient capital to safeguard its ability to continue as a going concern.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No change was made in the objectives, policies or processes during the financial year ended 31 March 2021.

The Company is subject to the base capital and financial resources requirements pursuant to the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licenses) Regulations. The Company has complied with the base capital and financial resources requirement throughout the year.

23 Significant events during the year

Global economic Growth in 2020 is adversely affected by the spread of the Covid-19 virus and actions taken to mitigate its spread and the resulting disruption of economic activity. If disruptions to normal economic activity continue for a protracted period as the result of the pandemic and governmental responses to it, the Company may be adversely affected. Notwithstanding this, The Company has continued to engage with clients and employees through extensive business continuity planning and technology platform with minimal disruption on any business activity during the lockdown phase. Notwithstanding the above, the management has assessed that the Company is still able to maintain sufficient liquidity to enable the Company to continue as a going concern for at least the next 12 months from end of reporting period.