Company Registration No. 200808802R

IIFL Capital Pte. Ltd.

Annual Financial Statements
31 March 2022

Building a better
working world

IIFL Capital Pte. Ltd.

General information

Directors

Amit Garg
Raveen Pawar

Company Secretary

Neeraj Kumar (Resigned on 3 February 2022)

Registered Office

137 Telok Ayer Street
#04-08
Singapore 068602

Auditor

Ernst & Young LLP

Index

The directors are pleased to present their statement to the member together with the audited financial statements of IIFL Capital Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying statement of comprehensive income, balance sheet, 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 2022 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.

Directors

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

Amit Garg
Raveen Pawar

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 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.

Directors' interests in shares or debentures

According to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company or its related corporations except as follows:

	Direct interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the ultimate holding company (IIFL Wealth Management Limited)		
Amit Garg	9,546	13,719
Raveen Pawar	–	–

Directors' interests in shares or debentures (cont'd)

	Direct interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**
Options to subscribe for ordinary shares of the ultimate holding company (IIFL Wealth Management Limited)		
Amit Garg	17,718	17,945
Raveen Pawar	–	2,500

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.

At the end of the financial year, there was no unissued share of the Company under option.

Auditor

Ernst & Young LLP have expressed their willingness to accept appointment as auditor.

Amit Garg
Director

Raveen Pawar
Director

Singapore
4 May 2022

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 balance sheet as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial 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 1967 (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 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial 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.

Other matter

The financial statements of the Company for the financial year ended 31 March 2021 were audited by another auditor whose report dated 10 May 2021 expressed an unqualified opinion.

Other information

Management is responsible for other information, which comprises the general information and the directors' statement.

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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

4 May 2022

IIFL Capital Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2022

	Note	2022 S$	2021 S$
Revenues			
Revenue from operations	17	5,998,015	3,871,883
Other income	18	189,439	667,525
		6,187,454	4,539,408
Expenses			
Employees' compensation and related costs	19	3,745,361	1,098,183
Finance cost		12,396	9,342
Depreciation and amortisation expense		557,692	359,115
Net foreign exchange (gain)/loss		(8,304)	141,196
Fair value gain on financial assets at fair value through profit or loss		(421,009)	(23,030)
Other operating expenses	20	4,967,570	6,337,586
		8,853,706	7,922,392
Loss before income tax		(2,666,252)	(3,382,984)
Income tax expense	21	–	–
Loss for the year, representing total comprehensive loss for the year		(2,666,252)	(3,382,984)

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

IIFL Capital Pte. Ltd.

Balance sheet
As at 31 March 2022

	Note	2022 S$	2021 S$
Current assets			
Financial assets at fair value through profit or loss	4	13,467,767	12,924,779
Trade receivables	5	1,563,614	945,571
Cash and cash equivalents	6	1,991,599	1,771,310
Other receivables	7	26,161	38,501
Other current assets	8	55,256	88,984
Total current assets		17,104,397	15,769,145
Non-current assets			
Property, plant and equipment	9	41,936	39,272
Intangible assets	10	4,355,360	3,112,329
Right-of-use asset	11	–	77,415
Total non-current assets		4,397,296	3,229,016
Total assets		21,501,693	18,998,161
LIABILITIES AND EQUITY			
Current liabilities			
Amount due to related companies	12	481,294	758,091
Accrued expenses and other payables	13	2,228,793	1,851,671
Lease liability	14	–	77,493
Other payables	13	355,603	4,612
Total current liabilities		3,065,690	2,691,867
Non-current liabilities			
Other payables	13	913,545	1,212,480
Total non-current liabilities		913,545	1,212,480
Equity			
Share capital	16	22,925,719	18,887,719
Merger reserve		1,056,896	–
Accumulated losses		(6,460,157)	(3,793,905)
Total equity		17,522,458	15,093,814
Total liabilities and equity		21,501,693	18,998,161

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 financial year ended 31 March 2022

	Share capital S$	**Merger reserve** S$	**Accumulated losses** S$	**Total equity** S$
Balance as 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
Issue of share capital, representing transactions with owners, recognised directly in equity	4,038,000	–	–	4,038,000
Loss for the year, representing total comprehensive loss for the year	–	–	(2,666,252)	(2,666,252)
Capital reserve arising on merger	–	1,056,896	–	1,056,896
Balance at 31 March 2022	22,925,719	1,056,896	(6,460,157)	17,522,458

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

IIFL Capital Pte. Ltd.

Cash flow statement
For the financial year ended 31 March 2022

	2022 S$	2021 S$
Cash flows from operating activities		
Loss before income tax	(2,666,252)	(3,382,984)
Adjustments for:		
Depreciation and amortisation expenses	557,692	359,115
Fixed assets written off	–	25,870
Intangible asset written off	–	382,163
Interest on lease liability	125	388
Interest expense	12,396	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	(421,009)	(23,030)
Operating cash flows before changes in working capital	(2,517,048)	(3,144,041)
(Increase)/decrease in trade receivables	(618,043)	3,794,013
Decrease in other receivables	44,650	7,293
Decrease /(increase) in other current assets	165,703	(71,009)
(Decrease)/increase in amount due to a related party	(276,797)	749,547
Increase/(decrease) in accrued expenses and other payables	311,195	(296,981)
Increase in other payables	51,487	4,537
	(2,838,853)	1,043,359
Less: Interest paid	(125)	(388)
Net cash flows (used in)/generated from operating activities	(2,838,978)	1,042,971
Cash flows from investing activities		
Purchase of property, plant and equipment	(43,370)	(56,982)
Purchase of intangible assets	(1,682,602)	(2,092,649)
Purchase of financial assets at FVTPL	(121,979)	(12,387,232)
Effect of cash and cash equivalents acquired due to amalgamation (Note 15 (b))	959,108	–
Net cash flows used in investing activities	(888,843)	(14,536,863)
Cash flows from financing activities		
Issue of share capital	4,038,000	13,587,719
Payments on lease liabilities	(89,890)	(89,890)
Net cash flows generated from investing activities	3,948,110	13,497,829
Net increase in cash and cash equivalents for the year	220,289	3,937
Cash and cash equivalents at beginning of year	1,771,310	1,767,373
Cash and cash equivalents at end of year (Note 6)	1,991,599	1,771,310

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. The immediate holding company and ultimate holding company is IIFL Wealth Management Limited, a company incorporated in India.

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. On 27 October 2021, the Company amalgamated with IIFL (Asia) Pte. Ltd and IIFL Securities Pte. Ltd as a result of reorganisation of the group structure. There we no significant changes in the principal activities except for the amalgamation. As a result, the Capital Markets Services License for IIFL Securities Pte. Ltd has been terminated.

The financial statements of the Company for the year ended 31 March 2022 were authorised for issue by the Board of Directors on 4 May 2022.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "S$").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 *New accounting standards effective on 1 April 2021*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

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

2.3 ***Standards issued but not yet effective***

The Company has not adopted the following standards that have been 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 16 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to FRS 37 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Classification of Liabilities as Current or Non-Current*	1 January 2023
FRS 117 *Insurance Contracts*	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined
Amendments to FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies*	1 January 2023
Amendments to FRS 8 *Definition of Accounting Estimates*	1 January 2023
Amendments to FRS 12 *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	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 its initial adoption.

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

2.4 *Financial instruments*

(a) *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. The Company determines the classification of its financial assets at initial recognition.

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

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of financial assets are:

(i) *Financial assets at amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Financial assets carried at amortised cost of the Company are presented as "Cash and cash equivalents", "Trade receivables", "Other receivables" and "Other current assets" excluding prepaid expenses.

(ii) *Financial assets at fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Financial assets measured at fair value through profit or loss of the Company are presented as "Financial assets at fair value through profit or loss" on the balance sheet.

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

2.4 *Financial instruments (cont'd)*

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

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

De-recognition

A financial asset is derecognised where 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 any cumulative gains or losses that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *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. Financial liabilities of the Company are presented as “Amounts due to related companies”, “Accrued expenses and trade payables” and "Other payables" on the balance sheet.

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 de-recognised when the obligation under the liability is discharged or cancelled or expired. 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. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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

2.5 *Share capital*

Ordinary shares are classified as equity.

2.6 *Fair value measurement*

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability; or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

2.7 *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.

2.8 *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. Summary of significant accounting policies (cont'd)

2.9 ***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 recognised as intangible asset as per FRS 38 is amortised over its useful life of 10 years with effect from 2021.

2.10 ***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.

Company as a 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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease.

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.

Office Premises - Lease term

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. Refer to the accounting policies in section 2.8 Impairment of non-financial assets.

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

2.10 ***Leases (cont'd)***

Company as a lessee (cont'd)

(b) *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 or a change in the assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term 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 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.

2.11 ***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 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. Summary of significant accounting policies (cont'd)

2.12 *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.

2.13 *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.

2.14 *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)

2.15 *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.

2.16 *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.

2.17 *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
- (iii) or joint venture of a member of a group of which the other entity is a member);
- (iv) Both entities are joint ventures of the same third party;
- (v) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (vi) 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;
- (vii) The entity is controlled or jointly controlled by a person identified in (a); or
- (viii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management.

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

2.18 *Business combinations*

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the financial statements of the surviving company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity acquired is reflected within the equity as merger reserve.

As described in Note 1, the Company amalgamated with the related companies under common control and has prospectively combined the assets and liabilities under the pooling-of-interest method and no restatements were made to prior periods.

2.19 *Unconsolidated structured entities*

The Company has determined that the investment funds that it manages are structured entities, as a result of the power conveyed through their investment management and other agreements with the funds which permit the Company to participate in their investing and operating decisions. The Company's interests in these funds include the management and performance fees that it earns from them, together with ownership interests that it holds, if any.

2.20 *Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

Financial assets carried at amortised cost

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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.

Non credit-impaired 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).

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

2.20 *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

At every reporting date, the Company evaluates whether the debt instruments and cash and cash equivalents are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses based on the internal or external credit rating of the counterparties. The Company considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due or when there is significant deterioration in credit ratings and a financial asset is in default when contractual payments are 90 days past due.

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.

3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities at the end of the 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.

Judgements made in applying accounting policies

The directors are of the opinion that there was no key assumption concerning judgement related to application of accounting policies made at the end of the reporting period that has a significant risk of causing material adjustment to the carrying amount of the assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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.

(a) *Determination of functional currency*

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.

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

Key sources of estimation uncertainty (cont'd)

(b) *Impairment assessment and useful life assessment of intangible assets*

As described in Note 2.9, 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 Note 10 to the financial statements respectively.

4. Financial assets at fair value through profit or loss

	2022 S$	**2021** S$
Unquoted investments in funds	13,467,767	12,924,779
	13,467,767	12,924,779

The above investments are denominated in the USD currency.

5. Trade receivables

	2022 S$	**2021** S$
Related party	342,300	–
Third party	1,221,314	945,571
	1,563,614	945,571

Trade receivables are denominated in the following currencies:

	2022 S$	**2021** S$
United States dollars	1,130,845	877,474
Great Britain pound	–	9,246
Singapore dollars	90,469	58,851
INR	342,300	–
	1,563,614	945,571

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

Trade receivables are non-interest bearing and are generally on 90 days (2021: 90 days) credit terms. These are recognised at their original amounts which represent their fair value on initial recognition.

Trade receivables are neither 90 days past due nor impaired.

The Company assessed the ECL on trade receivables to be insignificant due to minimal historical loss experience and good repayment history of its counterparties.

6. Cash and cash equivalents

	2022 S$	2021 S$
Cash at bank	1,991,599	1,771,310
	1,991,599	1,771,310

Cash and cash equivalents are denominated in the following currencies:

	2022 S$	2021 S$
Singapore dollars	1,411,591	1,597,437
United States dollars	580,008	173,873
	1,991,599	1,771,310

The Company assessed any loss allowance on cash and cash equivalents as insignificant because the cash and cash equivalents are placed with reputable financial institutions.

7. Other receivables

	2022 S$	2021 S$
Amount due from a related company (Refer note 22)	–	10,351
Refundable deposits	26,161	28,150
	26,161	38,501

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

The Company assessed the ECL on trade receivables to be insignificant due to minimal historical loss experience and good repayment history of its counterparties.

8. Other current assets

	2022 S$	2021 S$
Prepaid expenses	28,769	77,641
Advances	26,487	11,343
	55,256	88,984

9. Property, plant and equipment

	Computers S$	Furniture and fittings S$	Office equipments S$	Total S$
Cost				
At 1 April 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
Additions	36,137	7,233	–	43,370
At 31 March 2022	42,201	53,044	14,359	109,604
Accumulated depreciation				
At 1 April 2020	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
Depreciation charge for the year	5,249	29,971	5,486	40,706
At 31 March 2022	10,745	46,776	10,147	67,668
Net carrying amount				
At 31 March 2021	568	29,006	9,698	39,272
At 31 March 2022	31,456	6,268	4,212	41,936

10. Intangible assets

	Total S$
Cost	
At 1 April 2020	472,579
Additions	3,305,129
Written off	(472,579)
At 31 March 2021	3,305,129
Additions	1,682,602
At 31 March 2022	4,987,731
Accumulated depreciation	
At 1 April 2020	58,911
Amortisation charge for the year	224,305
Written off	(90,416)
At 31 March 2021	192,800
Amortisation charge for the year	439,571
At 31 March 2022	632,371
Net carrying amount	
At 31 March 2021	3,112,329
At 31 March 2022	4,355,360

The intangible assets pertains to acquisition of rights to operate, administrate and manage the sub-account of Prelude Structured Alternatives Master Fund, LP. The intangible asset is amortised over its estimated useful lives of 10 years.

11. Right-of-use asset

	Office space S$
Cost	
At 1 April 2020	112,470
Additions	122,574
Written off	(112,470)
At 31 March 2021	122,574
Additions	–
Written off	–
At 31 March 2022	122,574
Accumulated depreciation	
At 1 April 2020	54,704
Depreciation charge for the year	102,925
Written off	(112,470)
At 31 March 2021	45,159
Depreciation charge for the year	77,415
Written off	–
At 31 March 2022	122,574
Net carrying amount	
At 31 March 2021	77,415
At 31 March 2022	–

12. Amount due to a related company

	2022 S$	2021 S$
Amount due to related company (Refer note 22)	481,294	758,091

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

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

	2022 S$	2021 S$
United States dollars	268,105	550,299
Canadian dollars	213,189	129,774
Great Britain pound	–	78,018
	481,294	758,091

13. Accrued expenses and other payables

	2022 S$	2021 S$
Accrued expenses	1,443,920	1,846,094
Payroll and related expenses	784,873	5,577
Total	2,228,793	1,851,671

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

	2022 S$	2021 S$
Singapore dollars	928,773	89,163
United States dollars	858,679	1,112,901
Great Britain pound	441,341	649,607
	2,228,793	1,851,671

13. Accrued expenses and other payables (cont'd)

Other payables

	2022 S$	**2021** S$
Analysed as:		
Current	355,603	4,612
Non-current	913,545	1,212,480
	1,269,148	1,217,092

Other payables comprise S$1,218,060 (2021: S$1,212,480) arising from acquisition of intangible asset subject to interest rate of 1% per annum. The remaining balance are unsecured, interest free and payable on demand.

Other payables are denominated in the following currencies:

	2022 S$	**2021** S$
Singapore dollars	51,088	4,612
United States dollars	1,218,060	1,212,480
	1,269,148	1,217,092

14. Lease liability

	2022 S$	**2021** S$
On premises	–	77,493
	–	77,493

	2022 S$	**2021** S$
Maturity analysis:		
Year 1	–	77,618
Less: Unearned interest	–	(125)
	–	77,493

The Company has renewed its office premise rental agreement on 1 April 2022. The lease term of the office premise is 1 year from its commencement date.

15. Reconciliation of liabilities arising from financing activities

(a) 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 13.1)** S$	**Lease liability** S$	**Total** S$
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
Foreign exchange movements	5,580	–	5,580
New lease	–	–	–
Financing cash flow	–	(89,890)	(89,890)
At 31 March 2022	1,218,060	(12,397)	1,205,663

(b) *Merger reserve arising from amalgamation*

Net assets of IIFL (Asia) Pte. Limited and IIFL Securities Pte. Limited were amalgamated with effect from 27 October 2021 (refer Note 1 for further information) which comprises cash movement from IIFL (Asia) Pte. Limited and IIFL Securities Pte. Limited amounting to S$959,108.

16. Share capital

	2022		**2021**	
	No. of shares	S$	No. of shares	S$
Issued and fully paid:				
At the beginning of the year	15,516,330	18,887,719	5,300,000	5,300,000
Issue of share capital	2,765,753	4,038,000	10,216,330	13,587,719
At the end of the year	18,282,083	22,925,719	15,516,330	18,887,719

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

	2022 S$	2021 S$
Investment/fund management fees	5,518,551	3,832,831
Performance, upfront and set up fees	307,687	39,052
Referral fees income	59,060	–
Advisory income	54,136	–
Marketing supporting income	38,686	–
Distribution fees	19,895	–
	5,998,015	3,871,883

18. Other income

	2022 S$	2021 S$
Realised gain on sale of financial assets at fair value through profit or loss ("FVTPL")	–	514,517
Miscellaneous income	189,439	153,008
	189,439	667,525

Miscellaneous income primarily comprises income earned from Prelude Structured Alternatives Master Fund, LP fund at an agreed rate and government grants.

19. Employee's compensation and related costs

	2022 S$	2021 S$
Staff salaries and bonuses	3,541,556	1,076,754
Contributions to defined contribution plan	63,904	14,280
Other short-term benefits	139,901	7,149
	3,745,361	1,098,183

Included in the employee's compensation and related costs are remuneration for directors and key management personnel amounting to S$558,579 (2021: S$316,803).

Refer Note 22 for related party transaction.

20. Other operating expenses

	2022 S$	2021 S$
Brokerage related expenses (Refer note 22)	1,699,584	1,967,200
Operations and fund management expenses	1,650,095	2,276,207
Bank charges	19,534	21,114
Communication	23,213	16,999
Legal and professional fees	1,302,006	1,388,535
Manpower outsource expenses (Refer note 22)	60,000	60,000
Insurance	24,801	21,520
Repairs and maintenance	37,297	534
Fixed assets and intangible assets written off	–	408,033
Remuneration to auditors:		
- Audit fees	84,018	73,000
Software charges/technology cost	50,036	80,038
Others	16,986	24,406
	4,967,570	6,337,586

21. Income tax expense

The income tax expense on loss before taxation differs from the theoretical amount that would arise by applying the Singapore standard rate of income tax as follows:

	2022 S$	2021 S$
Loss before tax	(2,666,252)	(33,82,984)
Tax at statutory tax rate of 17% (2021:17%)	(453,263)	(575,107)
Adjustments:		
Non-deductible expenses	94,829	43,768
Non-taxable income	(71,572)	(91,383)
Unrecognised tax losses	430,006	622,722
Income tax expense recognised in profit or loss	–	–

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$6,192,517 (31 March 2021: S$3,663,070) available for offsetting against future taxable income.

No deferred tax arising thereof has been recognised as the realisation of tax benefits through taxable profits is uncertain.

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:

(a) ***Revenues***

	2022 S$	2021 S$
Fees from IIFL Asset Management (Mauritius) Limited:		
- Management fee	–	724,368
Fees from IIFL Asset Management Limited:		
- Management fee	1,389,119	–

(b) ***Expenses***

	2022 S$	2021 S$
Referral fees to:		
- IIFL Securities Pte. Ltd.	–	176,658
Business support fees to:		
- IIFL Private Wealth Management (Dubai) Limited	832,576	563,980
- IIFL Capital (Canada) Limited	542,165	296,619
- IIFL Wealth (UK) Ltd	–	502,082
Brokerage fee expense to:		
- IIFL Wealth (UK) Ltd	–	68,998
Manpower outsourcing fees to:		
- IIFL Distribution Services Private Limited	60,000	60,000

22. Related party transactions (cont'd)

(c) Compensation of key management personnel

	2022 S$	2021 S$
Salaries and bonuses	554,028	316,803
CPF contributions	4,551	–
Amounts paid to directors of the Company	558,579	316,803

Of the above disclosures in (c), S$89,021 has been paid by IIFL Securities Pte. Ltd to a director before the amalgamation who was employed there up to 27 October 2021 (the date of amalgamation) and moved to the Company for the remaining financial year ended 31 March 2022.

(d) Amounts due to a related companies

	2022 S$	2021 S$
IIFL Securities Pte. Ltd.	–	48,315
IIFL Private Wealth Management (Dubai) Limited	268,105	501,984
IIFL Capital (Canada) Limited	213,189	129,774
IIFL Wealth (UK) Ltd	–	78,018
	481,294	758,091

(e) Amounts due from a related company

	2022 S$	2021 S$
IIFL Securities Pte. Ltd.	–	10,351
IIFL Asset Management Limited	342,300	–

(f) During the year, the Company has allocated cost of S$34,217 (2021: S$67,115) to IIFL Securities Pte. Ltd and received cost allocation of S$7,443 (2021: S$9,117). These transactions are towards common facilities used between both the entities.

23. Lease arrangements

Disclosure required by FRS 116

At 31 March 2022, the company is committed to S$Nil (2021: S$77,618) 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:

	2022 S$	**2021** S$
Financial assets		
Financial assets at fair value through profit or loss	13,467,767	12,924,779
<u>Financial assets at amortised cost</u>		
Trade receivables	1,221,314	945,571
Other receivables	26,161	28,150
Cash and cash equivalents	1,991,599	1,771,310
Amounts due from a related company	342,300	10,351
Total financial assets	17,049,141	15,680,161
Financial liabilities		
<u>Financial liabilities at amortised cost</u>		
Amounts due to related companies	481,294	758,091
Accrued expenses and other payables	3,497,941	3,068,763
Lease liability	–	77,493
Total financial liabilities	3,979,235	3,904,347

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

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. 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:

(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 balance sheet 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.

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

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

(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 currency exchange rates.

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 2022, the Company's cash and cash equivalents, financial assets at FVTPL trade receivables and accrued expenses are exposed to S$12,840,600 (2021: S$11,100,446) of United States dollars ("USD" or "US$"), (S$441,340) (2021: S$718,379) of British Pound ("GBP"), (S$213,180) (2021: S$129,774) of Canadian dollar ("CAD") and S$342,300 (2021: Nil) of INR.

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, INR against SGD, with all other variables held constant:

	2022 S$	2021 S$
USD - strengthened by 5% (2021: 5%)	702,933	555,022
USD - weakened by 5% (2021: 5%)	(702,933)	(555,022)
GBP - strengthened by 5% (2021: 5%)	(22,067)	(35,919)
GBP - weakened by 5% (2021: 5%)	22,067	35,919
CAD - strengthened by 5% (2021: 5%)	(10,659)	(6,489)
CAD - weakened by 5% (2021: 5%)	10,659	6,489
INR - strengthened by 5% (2021: 5%)	17,115	–
INR - weakened by 5% (2021: 5%)	(17,115)	–

(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 2022 and 2021 are repayable on demand or due within 1 year from the end of the reporting date, except for the liability arising from acquisition of intangible asset amounting to S$913,545 (2021: S$1,212,480). The contractual undiscounted cash flows from liability arising from acquisition of intangible asset amounting to S$931,907 (2021: S$1,249,219).

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	**2022** S$	**2021** S$	**Valuation technique and key inputs**	**Fair value hierarchy**
Financial assets at fair value through profit and loss account:				
Unquoted equity funds	13,467,767	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. 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$1,349,729.

There were no significant transfers between different levels of the fair value hierarchy in 2022 and 2021.

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

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

(e) *Fair value of financial instruments (cont'd)*

	2022 S$	**2021** S$
Reconciliation of Level 3 fair value measurements for FVTPL:		
Beginning balance	12,924,779	–
Total gains in profit or loss account	421,009	537,547
Purchases	121,979	16,038,520
Disposals	–	(3,651,288)
Closing balance	13,467,767	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 balance sheet 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 2022.

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.

25. Impact from Covid-19

While the global economy is recovering from the Covid-19 pandemic, the underlying investments managed by the Company is still subjected to significant volatility as a result of market events and there may be disruptions to normal economic activities due to various governmental measures which cannot be currently anticipated. The Company assessed that the impact is not expected to be significant, if any, and that it will have sufficient liquidity to meet its liabilities and capital requirements.

26. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2022 were authorised for issue in accordance with resolutions of the directors on 4 May 2022.