Capco Consulting Singapore Pte. Ltd.
Registration Number: 201218966M

Annual Report
Year ended 31 December 2021

Director's statement

I am pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In my opinion:

(a) the financial statements set out on pages FS1 to FS27 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, having regard to the fianncial support from its immediate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Director has, on the date of this statement, authorised these financial statements for issue.

Director

The director in office at the date of this statement is as follows:

Gavin Keith James (Resigned on 30 March 2022)
Srinivasan Badrinath (Appointed on 30 March 2022)

Director's interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), no director who held office at the end of the financial year (including those held by their spouses and infant children) had interests in shares, debentures, warrants and share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year, except as follows:

Name of director and corporation in which interests are held	**Holdings at beginning of the year**	**Holdings at end of the year**
Gavin Keith James		
Ultimate holding corporation – Cardinal Holdings LP		
- No. of preferred units	500	–
- No. of profit units	240,000	–

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Director

Srinivasan Badrinath
Director

24 June 2022

KPMG

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Independent auditors' report

Member of the Company
Capco Consulting Singapore Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Capco Consulting Singapore Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS27.

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 December 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 '*Auditors' 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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 director 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 director's responsibilities include overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.

Kpmg llp

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

24 June 2022

Statement of financial position
As at 31 December 2021

	Note	2021 $	2020 $
Assets			
Plant and equipment	5	–	–
Non-current asset		–	–
Trade and other receivables	6	3,212,787	2,206,284
Contract assets	9	334,973	161,057
Prepayments		25,710	53,472
Cash and cash equivalents		254,131	1,572,191
Current assets		3,827,601	3,993,004
Total assets		3,827,601	3,993,004
Equity			
Share capital	7	458,831	458,831
Accumulated losses		(1,254,244)	(404,227)
Total equity		(795,413)	54,604
Liabilities			
Trade and other payables	8	762,222	808,223
Non-current liabilities		762,222	808,223
Trade and other payables	8	3,860,792	3,130,177
Current liabilities		3,860,792	3,130,177
Total liabilities		4,623,014	3,938,400
Total equity and liabilities		3,827,601	3,993,004

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
Year ended 31 December 2021

	Note	2021 $	2020 $
Revenue	9	3,518,411	4,006,478
Staff costs		(3,132,861)	(2,742,621)
Foreign exchange gain/(loss)		59,734	(124,355)
Professional fees		(323,810)	(116,994)
Impairment loss on loan due from related corporations		–	(16,174)
Other expenses		(907,995)	(1,252,900)
Grant income	10	63,596	232,288
Finance income		19,309	68,156
Finance expense		(146,401)	(157,503)
Loss before tax		(850,017)	(103,625)
Tax credit	11	–	–
Loss for the year	12	(850,017)	(103,625)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2021

	Note	Share capital $	Accumulated losses $	Total $
At 1 January 2020		100,000	(300,602)	(200,602)
Total comprehensive income for the year				
Loss for the year		–	(103,625)	(103,625)
Total comprehensive income for the year		–	(103,625)	(103,625)
Transactions with owner, recorded directly in equity				
Issuance of share	7	358,831	–	358,831
Total transactions with owner		358,831	–	358,831
At 31 December 2020		458,831	(404,227)	54,604
At 1 January 2021		458,831	(404,227)	54,604
Total comprehensive income for the year				
Loss for the year		–	(850,017)	(850,017)
Total comprehensive income for the year		–	(850,017)	(850,017)
At 31 December 2021		458,831	(1,254,244)	(795,413)

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2021

	2021 $	2020 $
Cash flows from operating activities		
Loss for the year	(850,017)	(103,625)
Adjustments for:		
Depreciation of plant and equipment	–	2,714
Unrealised foreign exchange (gain)/loss	(88,638)	120,723
Grant income	(63,596)	(232,288)
Impairment loss on loan due from related corporations	–	16,174
Finance expense	146,401	157,503
Finance income	(19,309)	(68,156)
	(875,159)	(106,955)
Changes in:		
- Trade and other receivables	(1,051,910)	(280,991)
- Contract assets	(173,916)	3,908
- Prepayments	27,762	(24,330)
- Trade and other payables	713,033	1,239,135
Grants received	42,130	253,754
Net cash (used in)/from operating activities	(1,318,060)	1,084,521
Cash flows from financing activity		
Loan from related corporations	–	210,340
Net cash from financing activity	–	210,340
Net (decrease)/increase in cash and cash equivalents	(1,318,060)	1,294,861
Cash and cash equivalents at 1 January	1,572,191	277,556
Effects of exchange rate fluctuations on cash held	–	(226)
Cash and cash equivalents at 31 December	254,131	1,572,191

Significant non-cash transactions:

In the previous year, an amount of $358,831 in 2020 was capitalised from loan amount due to immediate holding company to share capital (note 7).

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Director on 24 June 2022.

1 Domicile and activities

Capco Consulting Singapore Pte. Ltd. ('the Company') is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 20 Peck Seah Street, #05-00, Singapore 079312.

The Company is primarily involved in business and management consultancy services.

The immediate and ultimate holding companies during the financial year were The Capital Markets Company BVBA (a company incorporated in Belgium) and Wipro Limited (a limited company incorporated in India and listed on the New York Stock Exchange) respectively.

2 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's total liabilities exceeded its total assets by $795,413, deficiency in the net current assets of $33,191 and loss for the year of $850,017 as the immediate holding company has undertaken to provide continuing financial support to enable the Company to continue operating as a going concern in the foreseeable future and to meet its financial obligation as and when they fall due.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). The changes to significant accounting policies are described in Note 3.5.

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

3.3 Functional and presentation currency

These financial statements are presented in Singapore Dollars, which is the Company's functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there are no critical judgements made in applying the entity's accounting policies and no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within next financial year.

3.5 Changes in accounting policies

New standards and amendments

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions (Amendments to FRS 116)*
- *Interest Rate Benchmark Reform – Phase 2 (Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.5, which addresses changes in accounting policies.

4.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

4.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value to profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or recognise cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

(vi) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4.3 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is recognised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is recognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Computer equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

4.4 Leases

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.5 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised costs and contract assets.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

4.6 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4.7 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.8 Revenue

Service sold

Revenue from rendering of service in the ordinary course of business is recognised when the Company satisfies a performance obligation ("PO") by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Company does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

4.9 Government grants

Grants that compensate the Company for expenses incurred are recognised in profit or loss as ‘grant income’ on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

4.10 Finance costs

Finance costs comprise interest expense on intercompany loans.

Interest expense is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using effective interest method.

4.11 Finance income

Finance income is recognised in profit or loss as it accrues, using the effective interest rate method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for the financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

4.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be recognised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

4.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

5 Plant and equipment

	Computer equipment $
Cost	
At 1 January 2020	122,592
Disposals	(58,737)
At 31 December 2020 and 31 December 2021	63,855
Accumulated depreciation	
At 1 January 2020	119,878
Depreciation for the year	2,714
Disposals	(58,737)
At 31 December 2020 and 31 December 2021	63,855
Carrying amounts	
At 1 January 2020	2,714
At 31 December 2020 and 31 December 2021	–

6 Trade and other receivables

	2021 $	2020 $
Trade receivables	301,207	260,762
Amounts due from related corporations		
- trade	2,203,860	885,149
- loan	–	308,203
Amount due from immediate holding company		
- trade	687,420	726,853
Other receivables	5,300	26,491
Less: Impairment of loan amount due from related corporations	–	(16,174)
Financial assets at amortised cost	3,197,787	2,191,284
Deposits	15,000	15,000
	3,212,787	2,206,284

Loan amounts due from related corporations were unsecured and repayable on demand. In prior year, loan balance of amount $292,029 in 2020 had been overdue for more than 12 months and was subject to interest rate at LIBOR + 4.79% per annum.

Included in the trade amounts due from immediate holding company and related corporations is an amount of $2,797,893 (2020: $900,402) that is overdue for more than 12 months. The outstanding balance was subject to interest rate at LIBOR + 4.79% (2020: LIBOR + 4.79%) per annum.

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in note 15.

7 Share capital

	Ordinary shares	
	2021	**2020**
	$	**$**
At 1 January	458,831	100,000
Issuance of ordinary share	–	358,831
At 31 December	458,831	458,831

All issued shares are fully paid, with no par value.

In prior year, the Company entered into a capitalisation agreement with its immediate holding company, to capitalise EUR 225,000 (equivalent to $358,831) of the outstanding loan balance by the issuance of one ordinary share to the immediate holding company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

8 Trade and other payables

	2021	**2020**
	$	**$**
Trade payables	16,765	–
Other payables	41,293	61,085
Amounts due to immediate holding company:		
- loan	1,277,346	1,404,464
- interest accrual	291,784	224,222
Amounts due to related corporations		
- trade	2,097,380	1,573,860
- loan	196,739	197,873
- interest accrual	165,532	86,479
Accrued operating expenses	536,175	343,961
Deferred grant income	–	46,456
	4,623,014	3,938,400
Non-current	762,222	808,223
Current	3,860,792	3,130,177
	4,623,014	3,938,400

Loans from immediate holding company and related corporations were unsecured and repayable on demand. Interest was charged at LIBOR + 4.79% (2020: LIBOR + 4.79%) per annum for loan balance that overdue for more than 12 months.

Trade amounts due to related corporations of $2,097,380 in 2021 (2020: $1,573,860) were overdue for more than 12 months and were subject to interest rate of LIBOR + 4.79% per annum.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loan due to related corporations $	Loan due to immediate holding company (current) $	Loan due to immediate holding company (non-current) $	Interest accrual $
Balance at 1 January 2020	56,227	1,665,737	–	153,198
Changes from financing cash flows				
Loan from related corporations	210,340	–	–	–
Non-cash transaction				
Interest expense	–	–	–	157,503
Interest Income	–	(23,789)	–	–
Amount reclassified to loan due from related corporations	(56,227)	–	–	–
Amounts reclassified to non-current loan (promissory loan notes)	–	(808,223)	808,223	–
Amounts capitalised as share capital	–	(358,831)	–	–
Unrealised foreign exchange loss/(gain)	(12,467)	121,347	–	–
	(68,694)	(1,069,496)	808,223	157,503
Balance at 31 December 2020	197,873	596,241	808,223	310,701
Balance at 1 January 2021	197,873	596,241	808,223	310,701
Non-cash transaction				
Interest expense	–	–	–	146,401
Interest income	(4,476)	(34,923)	–	–
Unrealised foreign exchange loss/(gain)	3,342	(46,194)	(46,001)	214
	(1,134)	(81,117)	(46,001)	146,615
Balance at 31 December 2021	196,739	515,124	762,222	457,316

The Company's exposure to liquidity and foreign currency risks for trade and other payables is disclosed in note 15.

9 Revenue

	2021	2020
	$	$
Revenue from contracts with customers	3,518,411	4,006,478

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Company provides business and management consultancy services.
When revenue is recognised	Revenue is recognised over time when services are rendered to the customer and all criteria for acceptance have been satisfied. The stage of completion is assessed by reference to the time charged by the consultants till date. For services that have been rendered but not yet billed to customers, a contract asset is recognised.
Significant payment terms	Invoices are issued to the customer when service has been accepted by customer and are payable within 30 days.

The following table provides information about trade receivables and contract assets from contracts with customers

	2021	2020
	$	$
Trade receivables	3,192,487	1,872,764
Contract assets	334,973	161,057

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date for services rendered. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Company invoices the customer.

Significant changes in the contract assets balances during the financial year are as follows.

	2021	2020
	$	$
Contract asset reclassified to trade receivables	(161,057)	(164,965)

10 Grant income

In 2021, the Company received wage support of $42,130 (2020: $253,754) for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Company assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income of $63,596 was recognised in 2021 (2020: $232,288).

11 Tax credit

	2021 $	2020 $
Current year tax	–	–
Reconciliation of effective tax rate		
Loss before tax	(850,017)	(103,625)
Tax using the Singapore tax rate of 17% (2020:17%)	(144,503)	(17,616)
Non-deductible expenses	14,734	49,453
Effect of unrecognised tax loss	129,769	(31,837)
	–	–

Deferred tax assets have not been recognised in respect of the following items:

	2021 $	2020 $
Other deductible temporary differences	481,743	374,926
Unutilised tax losses	1,882,872	1,266,138
Unutilised capital allowances	252,160	212,362
	2,616,775	1,853,426

The unutilised tax losses and other deductible temporary differences, which may be available for carry forward and set off against future taxable profits, are subject to agreement with the tax authority and compliance with the provision of the Income Tax Act, Chapter 134. The unutilised tax losses and other deductible temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items because is not probable that future profit will be available against which the Company can utilise the benefits.

12 Loss for the year

The following items have been included in arriving at loss for the year:

	2021	2020
	$	$
Contributions to defined contribution plan, included in staff costs	158,812	170,332
Expenses relating to short-term leases	135,620	119,214

13 Leases

The Company leases an office. The lease typically runs for an initial period of 1 year, with an option to review the lease after that date. At the commencement date, the Company assesses that there is no economic incentive for the Company to exercise the option to renew the lease upon expiry.

Amounts recognised in profit or loss

	2021	2020
	$	$
Leases under FRS 116		
Expenses relating to short-term leases	135,620	119,214

As at reporting date, the non-cancellable operating lease rentals are as follow:

	2021	2020
	$	$
Within one year	46,355	49,355

14 Related parties

Other related party transactions

During the financial year, other than disclosed elsewhere in the financial statements, there were the following significant transactions which were carried out in the normal course of business based on the terms agreed between the parties:

	2021	2020
	$	$
Service fee income receivable from related corporations	(172,288)	(250,324)
Interest income receivable from immediate holding company	(34,923)	–
Interest income receivable from related corporations	–	(68,156)
Management fee payable to related corporations	272,571	205,271
Interest expense payable to immediate holding company	67,562	95,684
Interest expense payable to related corporations	94,453	61,819
Other expenses payable to related corporations	400,256	913,649

15 Financial instruments

Financial risk management

The Company has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company is not exposed to any significant interest rate risks.

Risk management framework

The Director has overall responsibility for the establishment and oversight of the Company's risk management framework. The Director is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk management is carried out under policies approved by the Director. The Board provides guidelines for overall risk management, as well as policies covering specific areas.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

Trade receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available financial statements, credit agency information, industry information, and in some cases bank references.

Sale limits are established for each customer, which represents the maximum open amount without requiring approval from the Board; these limits are reviewed quarterly.

Customers failing to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company limits its exposure to credit risk from trade receivables by establishing maximum payment periods of 30 days.

The carrying amount of trade and other receivables and contract assets represents the Company's maximum exposure to credit risk at the reporting date. No other financial assets carry a significant exposure to credit risk.

Expected credit loss assessment for trade and other receivables and contract assets as at 31 December 2021

The Company uses an allowance matrix to measure the ECLs of trade and other receivables and contract assets.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 December:

	Weighted average loss rate %	Gross carrying amount $	Impairment loss allowance $	Credit impaired
2021				
Current (not past due)	–	729,567	–	No
1 – 30 days past due	–	–	–	No
30 – 60 day past due	–	–	–	No
61 – 90 day past due	–	–	–	No
91 – 180 day past due	–	2,797,893	–	No
		3,527,460	–	
2020				
Current (not past due)	–	1,133,419	–	No
1 – 30 days past due	–	–	–	No
30 – 60 day past due	–	–	–	No
61 – 90 day past due	–	–	–	No
91 – 180 day past due	–	900,402	–	No
		2,033,821	–	

Loss rates are based on actual credit loss experience over the past years with management considered the economic conditions during the period over which the historical data has been collected, current conditions, and the Company's view of economic conditions over the expected lives of the receivables.

Cash and cash equivalents

Cash and cash equivalents are held with bank and financial institution counterparties which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Loans due from related corporations

In determining the ECL, the management has taken into account the historical default experience and the financial position of the related corporations, adjusted for factors that are specific to the companies and general economic conditions of the industry in which the company operates, in estimating the probability of default of the financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Loans due from related corporations are considered to have low credit risk and there has been no significant increase in the risk of default since initial recognition. Impairment has been measured on the 12-months expected loss basis and reflects the short-term maturities of the exposure. As at 31 December 2021, there were no amount written off (2020: $16,174).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash outflows, including estimated interest payments.

	Carrying amount $	**Contractual cash flow $**	**Less than 1 year $**	**1 to 5 years $**
2021				
Trade and other payables*	(2,650,053)	(2,778,254)	(2,778,254)	–
Loan due to immediate holding company	(1,277,346)	(1,569,130)	(756,508)	(812,622)
Loan due to related corporations	(196,739)	(234,070)	(234,070)	–
	(4,124,138)	(4,581,454)	(3,768,832)	(812,622)
2020				
Trade and other payables*	(1,920,510)	(1,981,855)	(1,981,855)	–
Loan due to immediate holding company	(1,404,464)	(1,628,685)	(807,669)	(821,016)
Loan due to related corporations	(197,873)	(223,006)	(223,006)	–
	(3,522,847)	(3,833,546)	(3,012,530)	(821,016)

* Exclude GST payable and deferred grant income

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	Note	Financial assets at amortised cost $	Financial liabilities at amortised cost $	Total carrying amount $	Fair value $
2021					
Trade and other receivables	6	3,197,787	–	3,197,787	3,197,787
Cash and cash equivalents		254,131	–	254,131	254,131
Trade and other payables*	8	–	(4,581,454)	(4,581,454)	(4,472,033)
		3,451,918	(4,581,454)	(1,129,536)	(1,020,115)
2020					
Trade and other receivables	6	2,191,284	–	2,191,284	2,191,284
Cash and cash equivalents		1,572,191	–	1,572,191	1,572,191
Trade and other payables*	8	–	(3,833,547)	(3,833,547)	(3,665,102)
		3,763,475	(3,833,547)	(70,072)	98,373

* Exclude GST payable and deferred grant income

Currency risk

The Company is exposed to foreign currency risk on revenue and expenses that are denominated in a currency other than the Company's functional currency, the Singapore dollar. The currencies in which these transactions primarily are denominated are Euro (EUR) and US dollar (USD). Exposure to foreign currency risk is monitored on an ongoing basis by the Company with the objective of ensuring that the net exposure is at an acceptable level.

The Company's exposure to foreign currencies is as follows:

	EUR $	USD $
31 December 2021		
Trade and other receivables	–	12,138
Trade and other payables	(1,972,415)	(753,369)
Cash and cash equivalents	–	56,157
	(1,972,415)	(685,074)

	EUR $	USD $
31 December 2020		
Trade and other receivables	–	1,595
Trade and other payables	(1,973,498)	(40,643)
Cash and cash equivalents	–	26,458
	(1,973,498)	(12,590)

Sensitivity analysis

A 10% strengthening of Singapore dollar against the following currencies at the reporting date would increase/(decrease) profit or loss, by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss	
	2021 $	2020 $
EUR	197,242	197,350
USD	68,507	1,259

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed.

The funding requirements of the Company are met by the immediate holding company, and there have been no changes in the capital management policies.

The Company is not subject to externally imposed capital requirements.

The Company monitors capital based on net debt and total capital. Net debt is calculated as total trade and other payables (including current tax liabilities) less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2021 $	2020 $
Net debt	4,368,883	2,366,209
Total equity	(795,413)	54,604
Total capital	3,573,470	2,420,813