AURIONPRO PAYMENT SOLUTIONS PTE. LTD.
(Incorporated in Singapore)

REPORT AND ACCOUNTS

31st MARCH, 2023

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AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

(Incorporated in Singapore)

Statement by Directors

The Directors has pleasure in presenting their report to the members together with the audited financial statements of AURIONPRO PAYMENT SOLUTIONS PTE. LTD. ("the Company") for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors of the Company,

(i) the financial statements which comprise the balance sheet as at 31st March 2023, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Paresh Chandulal Zaveri
Vijaya Kuppahalli Nagaraja (Resigned on 2nd July 2022)
Snehal Arvind Pandit (Appointed on 2nd July 2022)

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTOR INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5. SHARE OPTIONS

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

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

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

6. AUDITORS

M/s. S. Renganathan & Co., has expressed its willingness to accept re-appointment as auditor.

The Board of Directors

Paresh Chandulal Zaveri

Snehal Arvind Pandit

Singapore

Date: 11/05/2023

S. RENGANATHAN & CO

Chartered Accountants, Singapore
Regn. No. S64PF0237B

101 Cecil Street,
#23-06 Tong Eng Building
Singapore 069533

Tel: 6224 2589
6224 6151
Fax: 6223 8087
Email: sri.murali@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

Opinion

We have audited the financial statements of **AURIONPRO PAYMENT SOLUTIONS PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 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 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial statements. The Company's total liabilities exceeded its total assets by S$197,927 (2022:S$147,263). The appropriateness of the going concern assumption on which the financial statements of the Company are prepared is dependent on the continued financial support from its related parties and holding company. The holding company have agreed to continue providing financial support to the company and not recall the amount until such time when the company is financially solvent and also confirmed that if and when required additional funds will be made available to the company in order for it to meet all its liabilities which may fall due.

In forming our opinion, we have considered the adequacy of the disclosures of the above matter in the financial statements.

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.

S. RENGANATHAN & CO

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgment and maintain professional skepticism throughout the audit. We also:

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

S. Renganathan & Co

S. Renganathan & Co.
Public Accountants &
Chartered Accountants, Singapore

S. RENGANATHAN & CO
Public Accountants And
Chartered Accountants
101 Cecil Street
#23-06, Tong Eng Building
Singapore 069533

Singapore

Date: 11/05/2023

AURIONPRO PAYMENT SOLUTIONS PTE. LTD.
(Incorporated in Singapore)

BALANCE SHEET AS AT 31st MARCH 2023

	Notes	2023 S$	2022 S$
ASSETS			
Current Assets			
Cash and cash Equivalent	7	15,762	-
Other Receivables	8	15,973	14,723
		31,735	14,723
Non-Current Assets			
Intangible Assets	9	1,125,383	-
Total Assets		1,157,118	14,723
LIABILITIES			
Current Liabilities			
Trade Payables	10	413,842	31,486
Other payables	11	941,203	-
		1,355,045	31,486
Non-Current Liabilities			
Loan from immediate holding company	12	-	130,500
Total Liabilities		1,355,045	161,986
NET (LIABILITIES)		**(197,927)**	**(147,263)**
EQUITY			
Share Capital	13	135,730	135,730
Accumulated (Losses)		(333,657)	(282,993)
Total Shareholders Equity		**(197,927)**	**(147,263)**

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Statement of Comprehensive Income

For the financial yearended 31st March 2023

	Notes	2023 S$	2022 S$
Revenue	2c	3,358	-
Other Income		-	3
Administrative Expenses		(5,850)	-
Operating Expenses		(48,142)	(282,996)
(Loss) from the operations	14	(50,634)	(282,993)
Financial Cost		(30)	-
(Loss) before Tax		**(50,664)**	**(282,993)**
Taxation	15	-	-
(Loss) after Tax		**(50,664)**	**(282,993)**
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive (Loss)		**(50,664)**	**(282,993)**

The annexed accounting policies and explanatory notes form an integral part of the financial statements

AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

(Incorporated in Singapore)

Statement of Changes in Equity

For the financial year ended 31 March 2023

	Share Capital S$	Accumulated (Losses) S$	Total S$
Balance at 9th September 2021	135,730	-	135,730
Total Comprehensive (Loss) for the period	-	(282,993)	(282,993)
Balance at 31 March 2022	135,730	(282,993)	(147,263)
Total Comprehensive (Loss) for the year	-	**(50,664)**	**(50,664)**
Balance at 31 March 2023	**135,730**	**(333,657)**	**(197,927)**

The annexed accounting policies and explanatory notes form an integral part of the financial statements

AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

(Incorporated in Singapore)

Cash Flow Statement

For the financial year ended 31 March 2023

	2023	2022
	S$	S$
Cash Flow from Operating Activities		
(Loss) before taxation	(50,664)	(282,993)
	(50,664)	(282,993)
Other Receivables	(1,250)	(14,723)
Trade Payables	382,356	31,486
Other Payables	941,203	-
Cash generated from operations	1,271,645	16,763
Income Tax Refund / paid	-	-
Net cash inflow from operating activities	1,271,645	(266,230)
Cash Flows from Investing Activities	-	-
Net cash outflow from investing activities		
Addition to Intangible assets	(1,125,383)	-
	(1,125,383)	-
Cash Flows from Financing Activities		
Proceeds from Issue of share capital	-	135,730
Loan from immediate holding company	(130,500)	130,500
Net cash inflow from financing activities	(130,500)	266,230
Net (decrease) in cash and cash equivalents held	15,762	-
Cash and Cash Equivalents at the beginning of the year	-	-
Cash and Cash Equivalents at the end of the year	**15,762**	-

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate Information

The Company (Reg. No: 202131373H) is incorporated in Singapore with its registered and the administration office at 438B, Alexandra Road, #05-11, Alexandra Technopark, Singapore 119968.

Holding Company
The company is a subsidiary of Aurionpro Solutions Pte. Ltd. incorporated in Singapore which is the immediate holding company. The ultimate holding company is Aurionpro Solutions Ltd., a company incorporated in India and is listed on the Stock Exchange of India.

The financial statements are presented in Singapore Dollars which is the also the Company's functional currency.

The principal activities of the company are that of merchant and online payment gateway services. There has been no significant change in the nature of this activity during the financial year.

The financial statements of the Company for the year ended March 31, 2023 were authorized for issue by the Board of Directors on 11/05/2023

2. Going Concern

As at balance sheet date, the current liabilities and the total liabilities exceeded its current assets and total assets by S$197,927 (2022: S$147,263). The financial statements have been prepared on a going concern basis on the assumption that financial support from the directors will continue to be available. In the event that there is no continued financial support, the going concern basis would be invalid and provision would have to be made for any loss on realization of the Company's assets and further costs, which might arise. The directors have agreed to continue providing financial support to the company and not recall the amount until such time when the company is financially solvent and confirm that if and when required adequate funds will be made available to the company in order for it to meet all its liabilities which may fall due.

3. Significant Accounting Policies

a. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

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 judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgement or complexity are disclosed in Note 4 to the financial statements.

2. **Significant Accounting Policies - cont'd**

Basis of Preparation – cont'd

i) Going concern assumption

The financial statements of the Company have been prepared on a going concern basis notwithstanding the net capital deficiency of approximately 2023: S$ 197,927 as at 31 March 2023. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its shareholders, to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

ii) Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the Company has adopted the new or amended SFRA and Interpretations of SFRS that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards. The adoption of these new or amended standards did not have any material effect on the amounts reported for the current or prior financial years.

The following are the other new or amended Standards and Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2022:

FRS 16	Leases (Covid-19 Related Rent Concessions)	1 June 2021
FRS 9	Financial Instruments	1 January 2022
FRS 1-39	Recognition and Measurement	1 January 2022
FRS 7	Financial Instruments: Disclosures	1 January 2022
FRS 4	Insurance Contracts	1 January 2022
FRS 16	Leases (Interest Rate Benchmark Reform – Phase 2)	1 January 2022

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

2. Significant Accounting Policies - cont'd

b. New standards and amendments

The Company has applied the following SFRS(1)s, amendments to and interpretations of SFRS(1) for the first time for the annual period beginning on 1 January 2022:

Amendments to FRS 16	Leases (Covid-19 – Related Rent Concessions beyond 30 June 2021)
Amendments to FRS 3	Business Combinations (Reference to the Conceptual Framework)
Amendments to FRS 1-16	Property, Plant & Equipment (Proceeds before Intended Use)
Amendments to FRS 1-37	Onerous Contracts – Cost of Fulfilling a Contract
	Annual Improvements to FRSs 2018-2020

Other than the amendment relating to SFRS (1) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Company has adopted Amendments to SFRS (1) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract* from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Company included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Company has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

3. Significant Accounting Policies - cont'd

c. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and for the rendering of services in the ordinary course of the company's activities. Amounts disclosed as revenue are net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

a) a) Service income

Revenue from consultancy services is recognised when the services are rendered, upon completion of the actual service performed

b) Interest income
Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

c) Commission income
Commission received for rendering of services that are of short duration is recognised where the services are completed.

d) Government grants
Cash grants received from government in relation to the Wage Credit Scheme, Temporary employment credit and Special Employment Credit are recognised as income upon receipt.

3. Significant Accounting Policies - cont'd

d. Income Tax

a) Current income tax

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

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

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of general Goods and services tax except:

- Where the Goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the general Goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of Goods and services tax included.

The net amount of general Goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Significant Accounting Policies - cont'd

e. Foreign Currency Transactions

a) Functional and presentation currency
The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore dollars. Revenue and major operating expenses are primarily influenced by fluctuations in Singapore dollars. The financial statements are presented in Singapore dollars, which is the functional currency of the Company.

b) Foreign currency transactions
Transactions in foreign currencies are measured in the functional currency of the company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items 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.

f. 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.

g. Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3. Significant Accounting Policies - cont'd

h. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

i. Deferred Financial Charges

Fees incurred for obtaining new loans or refinancing existing ones are deferred and amortised to interest expense over the life of the related debt using the effective interest method. Unamortised deferred financial charges are written off when the related debt is repaid or refinanced and such amounts are expensed in the period the repayment or refinancing is made. Such amounts are classified as a reduction of the long-term debt balance on the statement of financial position.

j. Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared; because of the articles of association of the company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized directly as a liability when they are proposed and declared.

k. Government grants

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

3. Significant Accounting Policies - cont'd

l. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

r. Events after the end of the Reporting Period

Events after the end of the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

<u>Effective Interest Method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter year.

4. Financial Instruments - cont'd

1. Financial Assets

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

a) Classification of financial assets

Financial assets are classified, at initial recognition, as either measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commit to purchase or sell the asset.

For purpose of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost.
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

4. Financial Instruments - cont'd

1. Financial Assets – cont'd

b) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include trade and other receivables, and other financial assets that held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

The company has balances of other receivables and cash and bank balances that are held within a business model, whose objective is collecting contractual cash flows.

i) Trade and other receivables
Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables. Trade and other receivables are measured at initial recognition at the fair value, and are subsequently measured at amortised cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

ii) Cash and bank balances
Cash and bank balances comprise deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

4. Financial Instruments - cont'd

1. Financial Assets – cont'd

c) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivative Financial Instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

Other than financial assets at amortised cost and financial assets at fair value through profit or loss, the company does not designate any financial assets under any other category under FRS 109.

d) Impairment of financial assets

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

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

4. Financial Instruments - cont'd

1. Financial Assets – 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. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

e) Derecognition of financial assets

A financial asset is primary derecognised when:

i) the rights to receive cash flows from the asset have expired or,

ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

4. Financial Instruments - cont'd

2. Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

a) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities "at fair value through profit or loss" or "other financial liabilities at amortised costs".

i) Financial liabilities at amortised cost

Financial liabilities are initially recognised at value plus directly attributable costs and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial liabilities at amortised cost are classified within "trade and other payables" and "borrowing" on the statement of financial position.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

4. Financial Instruments - cont'd

2. Financial liabilities and equity – cont'd

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

The Company uses derivative financial instruments to hedge against risks associated with interest rate fluctuations. It is the Company's policy not to use derivative financial instruments for speculative purposes.

b) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the carrying amounts is recognised in the profit and loss.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

d) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

a) Critical judgement in applying the company's accounting policies

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

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

i) Income taxes

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The carrying amount of the company's income tax payable as at 31 March 2023 was S$ Nil.

ii) Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty - cont'd

b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

i) Provisions

Provisions are recognized in accordance with the accounting policy, to determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

ii) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

6. Financial Instruments, Financial Risks Management and Capital Management

6.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The board of directors is responsible for setting the objective and underlying principles of financial risk management for the company. The directors' meet periodically to analyse, formulate and monitor the following risk management of the company and of the company and believe that the financial risks associated with these financial instruments are minimal.

The company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

6. Financial Instruments, Financial Risks Management and Capital Management - cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

a) Categories of financial assets and liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financial position, the categories and the headings in which they are included are as follows:

	2023 S$	2022 S$
Financial assets		
Loans and receivables:		
- trade and other receivables	**15,973**	14,723
- cash and bank balances	**15,762**	-
	31,735	14,723
Financial liabilities		
At amortised costs:		
- trade and other payables	**(1,355,045)**	(161,986)
	(1,355,045)	(161,986)

Further quantitative disclosures are included throughout these financial statements.

b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade and other receivables and other financial assets including cash and bank balances. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. For other financial assets, the company minimise credit risk by placing the cash deposits with reputable banks and financial institutions with high credit rating assigned by international credit rating agencies.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Credit risk management – cont'd

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 such as the following:

- credit rating information supplied by publicly available financial information;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if the counterparty is more than 30 days past due in making contractual payment.

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

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of 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;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Default event

The company considers a financial asset in default when the counterparty fails to make contractual payments, within 180 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the counterparty 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).

Write off policy

The company categorises a receivable for potential write-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or when a debtor fails to make contractual payments more than 365 days past due. Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Grade I (Performing)	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Grade II (Under performing)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL- not credit impaired

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Write off policy – cont'd
The company's current credit risk grading framework comprises the following categories: (cont'd)

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Gross III (Default)	Amount is > 180 days past due to there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
Write-off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Expected Credit Loss Assessment

The following are qualitative information about amounts arising from expected credit losses for financial assets.

(i) Trade receivables

The company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The company determined the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The contract assets relate to unbilled revenue and have substantially the same risk characteristics as the trade receivables for the same type of contracts. Accordingly, the credit risk profile of trade receivables and contract assets is presented based on their past due status in term of provision matrix.

(ii) Other receivables

Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts and cash flows), management consider the company's credit risk exposure as low. Therefore, impairment on these balances have been measured on the 12-month ECL basis; and the amount of the allowance is insignificant.

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Expected Credit Loss Assessment– cont'd

(iii) Cash and bank balances

Loss allowance on bank balances are measured on the 12-month ECL and reflects the short maturities of the exposures. The company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on bank balances is insignificant

Concentration of credit risk

The company has no significant concentration of credit at the end of the reporting period.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

c) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company results in the current reporting year and in the future years.

The company is exposed to interest rate risk through the impact of rate changes on interest bearing bank finance leases. Risk variables are based on volatility interest rates. The company's policy is to obtain most favourable interest rate available in the market. The company ensures that it obtains borrowings at competitive interest rates under the most favourable terms and conditions. The interest rates and terms of repayment of finance leases of the company are disclosed in Note 15 to the financial statements. The management believes the interest rate risk is manageable. Hence, the company does not use any derivative financial instruments to mitigate this risk.

Interest rate sensitivity

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

c) Interest rate risk – cont'd

Interest rate sensitivity – cont'd

The company's profit or loss and equity are not affected by the changes in interest rates as the interest-bearing instruments either carry fixed interest or are measured at amortised cost or carry variable interest but are held for short-term. Accordingly, management is of the view that the impact of any interest rate fluctuation will not be material.

The company's exposure to interest rate risk on financial assets and financial liabilities are immaterial.

d) Foreign currency exchange rate risk

Foreign currency exchange rate risk arises from the change in foreign currency exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The foreign exchange risk of the company which generate revenue and incur costs denominated in Singapore Dollars. The company's major foreign exchange risk exposures result from the sales transactions, receivables, purchases transactions and payable that are denominated in foreign currencies, primarily in Singapore Dollars. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates.

The entities within the company maintain their books and records in their functional currencies. The company's accounting policy is to translate the profits or losses of entities with functional currencies other than United States dollars using the yearly average exchange rates. Net assets denominated in foreign currencies and held at the yearend are translated into United States dollars; the company's reporting currency, at year end exchange rates. Fluctuations in the exchange rate between the functional currencies and United States dollars will therefore have an impact on the company. However, the exposure to foreign currency risk is monitored on an ongoing basis and the company endeavours to keep the net exposure at acceptable level. Management believes that the foreign exchange risk is manageable. Presently, no transaction in forward exchange contract is deemed necessary.

Foreign currency sensitivity analysis

The company's exposure to foreign currency risk on financial asset and liabilities are immaterial. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. As a result, no foreign currency sensitivity analysis was prepared.

	2023 S\$ US\$	2022 S\$ US\$
Cash & cash equivalents	3,321	-

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1 Financial Risks Management Policies and Objectives – cont'd

Sensitivity analysis for foreign exchange risk

A 1% strengthening of the Singapore dollar against the following currencies as at the balance sheet date would have decreased the profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2023	2022
	S$	S$
Profit before taxation		
United states dollar	33	-

A 1% weakening of the Singapore dollar against the following currencies as at the balance sheet date would have had the equal opposite effect on the above currencies to the amounts shown above, on the basis that all over other variables remain constant.

e) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

The company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The company maintains a level of cash and bank balances deemed adequate by management to meet the company's working capital requirement. In addition, the company strives to maintain available banking facilities at a reasonable level to its overall debt position.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

			Contractual undiscounted cash flows			
2023	**Effective interest rate (%)**	**Carrying Amount**	**Less than one year**	**Two to five years**	**More than five years**	**Total**
		S$	S$	S$	S$	S$
Financial liabilities						
At amortised cost:						
- Trade & other payables	-	1,355,045	1,355,045	-	-	1,355,045

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.1. Financial Risks Management Policies and Objectives – cont'd

2022	Effective interest rate (%)	Carrying Amount	Contractual undiscounted cash flows Less than one year	Two to five years	More than five years	Total
		S$	S$	S$	S$	S$
Financial liabilities						
At amortised cost:						
- Trade & other payables	-	161,986	161,986	-	-	161,986

f) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management considers that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and finance leases recorded at amortised cost in the financial statement approximate their fair values.

6.2. Capital Risk Management Policies and Objectives

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, and obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as finance leases plus trade and other payables less bank balance. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	2023	2022
	S$	S$
Trade and other payables	1,355,045	161,986
Less: Cash and bank balances	(15,762)	-
Net debt	1,339,283	161,986
Total equity	(197,927)	(147,263)
Total capital	1,141,356	14,723
Gearing ratio	-	-

6. Financial Instruments, Financial Risks Management and Capital Management – cont'd

6.2. **Capital Risk Management Policies and Objectives – cont'd**

The company will continue to monitor economic conditions in which its operations and will make adjustments to its capital structure where necessary.

The capital structure of the company's mainly consists of equity and net debt. The company's overall strategy remains unchanged from 31 March 2023.

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

7. Cash and cash equivalent

	2023 S$	2022 S$
Cash at bank	15,762	-
	15,762	-

The Currency exposure profile is as follows:

	2023 S$	2022 S$
United States Dollar	3,321	-

The carrying values of these Cash and Cash Equivalents approximate their fair values.

8. Other Receivables

	2023 S$	2022 S$
GST Receivables	-	2,527
Amount due to non-related party	2,259	20
Deposits	8,123	7,935
Prepayments	5,591	4,241
	15,973	14,723

The carrying values of these other receivables approximate their fair values.

9. Intangible Assets

	Under Computer Development Software 2023 US$	Under Computer Development Software 2022 US$
Cost		
As at beginning of the year	-	-
Additions	1,125,383	-
As at year end	1,125,383	-
Depreciation		
As at beginning of the year	-	-
Charge for the year	-	-
As at year end	-	-
Net Book Value		
As at year end	1,125,383	-

These represents expenses incurred developing a cloud-based payment platform called AuroPayBiz which is expected to generate revenue in subsequent years.

10. Trade Payables

	2023 S$	2022 S$
Accrued expenses	395,074	30,881
Trade Payables	18,768	605
	413,842	31,486

The carrying values of these trade payables approximate their fair values.

11. Other Payables

	2023 S$	2022 S$
Amount due to related parties	941,203	-

The carrying values of these other payables approximate their fair values.

12. Other Payables – Long Term

	2023 S$	2022 S$
Amount due to immediate holding company	-	130,500

Amount due to immediate holding company are unsecured, carries a fixed interest of 3% compounded annually and are not expected to be repaid within the next 12 months.

The carrying values of these other payables approximate their fair values.

13. Share Capital

	No of Shares 2023	Issued Share Capital 2023 S$	No of Shares 2022	Issued Share Capital 2022 S$
Balance at 1st Apr. / 9th Sep.	100,000	135,730	100,000	135,730
Proceeds of share issue	-	-	-	-
Balance at 31st March, with no par value	100,000	135,730	100,000	135,730

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions

14. Net Income from Operations

This is stated after charging/(crediting):	2023 S$	2022 S$
Professional Fees	32,843	43,851
Rent Expenses	8,266	1,543

15. Income Tax

	2023 S$	2022 S$
Income Tax - Current Year	-	-

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate to profit before income tax as a result of the following differences:

	2023 S$	2022 S$
Accounting (Loss)	(50,664)	(282,993)
Tax at the applicable tax rate of 17%	(8,613)	(48,109)
Tax effect of non-deductible expenses	(578)	48,109
Deferred Tax Asset not provided	9,191	-
	-	-

16. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

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

The annexed detailed profit and loss account does not form part of the audited statutory accounts and therefore it is not covered by the auditors' report.

AURIONPRO PAYMENT SOLUTIONS PTE. LTD.

(Incorporated in Singapore)

Income and Expenditure Account

For the financial year ended 31 March 2023

	2023
	S$
INCOME	
Income	3,358
LESS: EXPENSES	
Audit fees	5,000
Bank charges	1,451
Exchage gain	(3,400)
Foreign worker levy	4,001
Interest Expenses	30
Miscellaneous Expenses	1,584
Professional Fees	32,843
Printing and stationery	7
Rent Expenses	8,266
Subscription and membership fees	689
Salary	2,701
Secretarial fees	250
Tax Agent fees	600
Total Expenses	(54,022)
(Loss) for the year	**(50,664)**