INTELLECT DESIGN ARENA PTE. LTD.

(Company Registration No. 199701040R)

Financial Statements For The Year Ended March 31, 2024

Intellect Design Arena Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Swaminathan Subramanian
Ravanasamudram Nilakantam Nagaraj Prasad
Rajaraman Krishna
Ganguli Atanu
Sanjay Israni (Appointed on 06.11.2023)
Nerella Subhash Chandra (Resigned on 06.11.2023)

Secretaries

N Sriram (Appointed on 15.08.2023)
Raja Muhammad Shah Bin Abdullah (Resigned on 15.08.2023)

Registered Office

No. 10 UBI Crescent
#04-48 UBI Techpark
Lobby C, UBI Avenue 1
Singapore 408564

Auditors

Natarajan & Swaminathan
Chartered Accountants of Singapore
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

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The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2024.

1 Directors

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

Swaminathan Subramanian
Ravanasamudram Nilakantam Nagaraj Prasad
Rajaraman Krishna
Ganguli Atanu
Sanjay Israni

2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act.

4 Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued 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.

5 Auditors

The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Directors' opinion

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; and

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

On behalf of the board of directors

Ravanasamudram Nilakantam Nagaraj Prasad	*Sanjay Israni*

Date: May 8, 2024

NATARAJAN & SWAMINATHAN
CHARTERED ACCOUNTANTS OF SINGAPORE

1 NORTH BRIDGE ROAD, #19-04/05,
HIGH STREET CENTRE,
SINGAPORE 179094
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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **INTELLECT DESIGN ARENA PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2024, and the statement of 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2024 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 (SSA). 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 (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 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 identified above 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

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 FRS, 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.

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 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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

Auditors' Responsibilities for the Audit of the Financial Statements *(Cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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.

Natarajan & Swaminathan

Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: May 8, 2024

	Note	2024	2023
		S$	S$
Assets			
Non-current assets			
Property, plant and equipment	3	316,289	350,704
Investment property	4	1,200,000	950,000
Investment in subsidiaries	5	20,688,102	20,688,102
Deferred tax assets	6	14,557	15,347
Total non-current assets		22,218,948	22,004,153
Current assets			
Trade receivables	7	5,881,457	3,829,765
Other receivables	8	8,439,073	6,970,308
Prepayments		47,049	59,009
Contract asset	9	7,567,180	4,941,942
Cash at banks	10	2,743,461	557,125
Total current assets		24,678,220	16,358,149
Total assets		**46,897,168**	**38,362,302**
Equity and liabilities			
Equity			
Share capital	11	11,717,500	11,717,500
Share option reserve	12	216,287	338,394
Accumulated profits		14,292,354	12,052,467
Property revaluation reserve		649,985	649,985
Total equity		26,876,126	24,758,346
Current liabilities			
Trade payables and accruals	14	15,812,154	9,066,503
Other payables	15	2,970,541	3,587,045
Contract liability	16	793,160	689,817
Lease liabilities	13	-	21,765
Income tax payable		445,187	238,826
Total current liabilities		20,021,042	13,603,956
Total liabilities		20,021,042	13,603,956
Total equity and liabilities		**46,897,168**	**38,362,302**

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

	Note	2024	2023
		S$	S$
Revenue	17	19,079,406	12,191,258
Other income	18	297,641	336,409
Fair value increase on investment property	4	250,000	-
Cost of services	19	(12,055,811)	(4,834,690)
Salaries and employee benefits	20	(4,233,544)	(5,357,876)
Depreciation of property, plant and equipment	3	(31,080)	(68,250)
Other operating expenses		(493,082)	(387,748)
Finance costs	21	(99,866)	(114,194)
Profit before income tax	22	2,713,664	1,764,909
Income tax expense	23	(600,383)	(441,053)
Profit after income tax		2,113,281	1,323,856
Other comprehensive income		-	-
Total comprehensive income for the year		**2,113,281**	**1,323,856**

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

	Note	Share capital	Share option reserve	Accumulated profits	Property revaluation reserve	Total
		S$	S$	S$	S$	S$
Balance as at 01.04.2022		**11,717,500**	**647,272**	**10,436,771**	**649,985**	**23,451,528**
Value of employee services	12	-	(17,038)	-	-	(17,038)
Share option exercised/forfeited	12	-	(291,840)	291,840	-	-
Total comprehensive income for the year		-	-	1,323,856	-	1,323,856
Balance as at 31.03.2023		**11,717,500**	**338,394**	**12,052,467**	**649,985**	**24,758,346**
Value of employee services	12	-	4,499	-	-	4,499
Share option exercised/cancelled	12	-	(126,606)	126,606	-	-
Total comprehensive income for the year		-	-	2,113,281	-	2,113,281
Balance as at 31.03.2024		**11,717,500**	**216,287**	**14,292,354**	**649,985**	**26,876,126**

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

	2024	2023
	S$	S$
Cash flows from operating activities		
Profit before income tax	2,713,664	1,764,909
Adjustments for:		
Depreciation of property, plant and equipment	31,080	68,250
Loss on disposal of plant and equipment	2,497	-
Fair value increase on investment property	(250,000)	-
Interest income	(232,145)	(165,694)
Interest on loans from subsidiaries and related companies	99,865	113,156
Interest on lease liabilities	1	1,038
Reversal for doubtful debts - contract assets (outside party)	-	(85,886)
Share based compensation	4,499	(17,038)
Currency translation	3,935	12,825
Operating profit before working capital changes	2,373,396	1,691,560
Trade receivables	(2,051,692)	(711,121)
Other receivables and prepayments	(1,451,746)	(1,621,038)
Contract asset	(2,625,238)	(1,127,080)
Trade payables and accruals	6,745,651	1,348,628
Other payables	(1,012)	637
Contract liability	103,343	441,105
Cash generated from operations	3,092,702	22,691
Interest received	227,086	112,920
Income tax paid	(394,967)	(388,992)
Net cash from/(used in) operating activities	2,924,821	(253,381)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,106)	(3,787)
Proceeds from sale of plant and equipment	2,744	-
Net cash used in investing activities	(1,362)	(3,787)
Cash flows from financing activities		
Interest paid	(103,987)	(143,830)
Other payables - holding company and related companies	(611,370)	441,975
Payment of lease liabilities	(21,766)	(61,866)
Net cash (used in)/from financing activities	(737,123)	236,279
Net increase/(decrease) in cash and cash equivalents	2,186,336	(20,889)
Cash and cash equivalents brought forward	557,125	578,014
Cash and cash equivalents carried forward	**2,743,461**	**557,125**
Cash and cash equivalents comprise:		
Cash at banks	2,743,461	557,125
	2,743,461	**557,125**

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

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

1 Corporate information

The Company (Registration No. 199701040R) is a private limited Company incorporated and domiciled in Singapore.

The registered office and the principal place of business is at No. 10 UBI Crescent #04-48, UBI Tech Park Lobby C, Ubi Avenue 1, Singapore 408564.

The principal activities of the Company are to develop software and to provide software related services.

There has been no significant change in the nature of these activities during the financial year.

Holding company

The Company is a wholly owned subsidiary of **'Intellect Design Arena Ltd'**, a company incorporated and listed in the Stock Exchanges in India namely, National Stock Exchange and Bombay Stock Exchange, which is also the Company's ultimate holding company.

Branch office

The Company has registered a Branch in Japan and the revenue and expenses of the branch has been incorporated in the financial statements.

Subsidiaries

Refer **Note 5** to the financial statements for the subsidiaries and its principal activities.

2 Material accounting policy information

a) **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967. These financial statements are the separate financial statements of Intellect Design Arena Pte. Ltd. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Intellect Design Arena Ltd, a company incorporated in India, which prepares consolidated financial statements available for public use. The registered office of Intellect Design Arena Ltd is as follow:

Polaris House
244 Anna Salai
Chennai 600 006
India

The financial statements are expressed in Singapore Dollar (S$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company's accounting policies.

2 Material accounting policy information *(Cont'd)*

a) Basis of preparation *(Cont'd)*

It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(c)** to the financial statements).

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on April 1, 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

b) Consolidated financial statements

Consolidated financial statements of the Company and its subsidiaries has not been prepared as the Company is a wholly owned subsidiary of a company incorporated in India (refer **Note 1** to the financial statements), which publishes consolidated financial statements.

c) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgments (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

<u>Depreciation</u>

The Company depreciates the property, plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the years that the Company intends to derive future economic benefits from the use of the Company's property, plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

<u>Investment property</u>

Investment property is stated at fair value in accordance with FRS 40. Fair value is determined by the management based on the open market value of the property on the existing use basis. The valuation determined by management may differ slightly from any independent valuers' valuation as of year-end.

2 Material accounting policy information *(Cont'd)*

c) Critical judgments in applying the entity's accounting policies *(Cont'd)*

Investment in subsidiaries

Investment in subsidiaries are stated at cost less impairment loss, if any. In determining if there is any impairment, the management evaluates the market and economic environment in which the entities operate, the economic performance, the forecasted results, the net assets values, and the operating cash flow of these entities. The evaluation of these factors involves a significant degree of management judgment.

Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

d) Foreign currency transactions

(i) Functional currency

The functional currency of the Company is Singapore Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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. The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

2 Material accounting policy information *(Cont'd)*

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

f) Depreciation of property, plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the property, plant and equipment over their estimated useful lives as follows:

Leasehold properties	-	55	years
Furniture & fittings	-	10	years
Office equipment	-	10	years
Computers & peripherals	-	5	years
Computer software	-	3	years
Renovation	-	10	years
Right-of-use assets	-	Over lease period	

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

g) Investment property

Investment property is held to earn rentals and/or for capital appreciation, are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss for the year in which they arise.

h) Investment in subsidiaries

Subsidiaries are investees that are controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in the subsidiaries are carried at cost less accumulated impairment losses, if any. On disposal of investments in subsidiaries, the differences between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

i) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2 Material accounting policy information *(Cont'd)*

i) Impairment of non-financial assets *(Cont'd)*

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j) Financial instruments

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

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

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 a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

2 Material accounting policy information *(Cont'd)*

j) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Initial recognition and measurement (Cont'd)

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The 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.

Subsequent measurement

For the purposes 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 ("FVOCI")
- Financial assets elected 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 ("FVPL")

The Company's relevant financial assets category are financial assets at amortised cost.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: -

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade receivables, other receivables and cash at banks.

2 Material accounting policy information *(Cont'd)*

j) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into 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.

When 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 recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes 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.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

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).

For trade and other 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.

2 Material accounting policy information *(Cont'd)*

j) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Impairment of financial assets

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 makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers 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.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include trade payables and accruals, other payables and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

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

2 Material accounting policy information *(Cont'd)*

k) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l) **Contract asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

m) **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks.

n) **Related parties**

The related parties are defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company or its holding company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others, classified as related companies);

(ii) One entity is an associate or joint venture of the other entity (for an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of the third entity and the other entity is an associate of the third party;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

2 Material accounting policy information *(Cont'd)*

n) **Related parties** *(Cont'd)*

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or its holding company.

o) **Contract liability**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

p) **Revenue recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

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

The Company derives revenues primarily from software development and related services, and from the licensing of software products and related services (together referred to as "software related services").

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the entity expects to receive in exchange for those products or services arrangements with customers for software related services are either on a fixed-price, fixed-bid or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as revenue accrued not billed. Revenue from fixed-price, fixed-bid contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. The Company recognises revenue based on relevant input or output measures based on nature of performance obligation being rendered. For revenue recognised using output method, measures such as the achievement of any project milestones stipulated in the contract, or internal quality milestones are used to assess proportional performance. For revenue recognized over time using a percentage of completion based on input method for the fixed price service offering.

2 Material accounting policy information *(Cont'd)*

p) **Revenue recognition** *(Cont'd)*

The input method assures we are aligned to milestone and the consideration recoverable. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized rateably over the term of the underlying maintenance arrangement.

Revenue accrued not billed represents earnings on ongoing fixed-price, fixed -bid and time and material contracts over amounts invoiced to customers. Billings in excess of revenues represents amounts billed in case of ongoing fixed bid, fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the balance sheet date.

In arrangements for software development and related services and maintenance services, the entity has applied the guidance in FRS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the entity has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the entity is unable to determine the standalone selling price, the entity uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Maintenance Services. The entity has applied the principles under FRS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost-plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed.

2 Material accounting policy information *(Cont'd)*

p) **Revenue recognition** *(Cont'd)*

Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. Annual Maintenance Services revenue is recognized rateably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

q) **Other income**

The other income is recognised on the following basis:

(i) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

(ii) Rental income from sublet of property are recognised on a straight-line monthly basis over the lease term.

(iii) Government grants are recognised upon receipt basis.

r) **Employee benefits**

Retirement benefit costs

(i) As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

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

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

2 Material accounting policy information *(Cont'd)*

r) Employee benefits *(Cont'd)*

(ii) Share based payment transactions

Employee Stock Option Scheme:

Stock options are granted to the employees under the stock option scheme of the holding company. The costs of stock options granted to the employees (equity-settled awards) of the Company are measured at the fair value of the equity instruments granted. For each stock option, the measurement of fair value is performed on the grant date. The grant date is the date on which the Company and the employees agree to the stock option scheme. The fair value so determined is revised only if the stock option scheme is modified in a manner that is beneficial to the employees.

That cost is recognised, together with a corresponding increase in employee option reserve account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

2 Material accounting policy information *(Cont'd)*

r) Employee benefits *(Cont'd)*

(ii) Share based payment transaction *(Cont'd)*
Employee Stock Option Scheme: (Cont'd)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

s) Employee share option reserve

Employee share option reserve represents the equity-settled share options and restricted stock units granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

t) Leases

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

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

As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in **Note 2(i)**.

The Company's right-of-use assets are presented within property, plant and equipment **(Note 3)**.

2 Material accounting policy information *(Cont'd)*

t) Leases *(Cont'd)*

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are presented within lease liability **(Note 13).**

Short-term leases and leases of low-value assets

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

u) **Finance costs**

Interest expense and similar charges are expensed in the profit or loss in the year in which they are incurred.

v) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales 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 sales tax included.

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

2 Material accounting policy information *(Cont'd)*

w) **Income tax**

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

3 Property, plant and equipment

A separate schedule for property, plant and equipment is enclosed. Refer **Page 41** and **Page 42** to the financial statements.

The leasehold properties are located at 10 UBI Crescent, #04-48 Lobby C, Ubi Techpark, Singapore 408564.

4 Investment property

	2024	2023
	S$	S$
At fair value		
At beginning of year	950,000	950,000
Fair value increase in the year	250,000	-
At end of year	**1,200,000**	**950,000**

4 Investment property

The property is located at 10 UBI Crescent, #04-49 Lobby C, Ubi Techpark, Singapore 408564. The property is valued by the directors at S$1,200,000 (2023:S$950,000) based on independent valuer's valuation in April 2024 (2023:March 2023). The valuation is based on an existing use basis and on direct comparison method by comparison of transactions of comparable properties in the vicinity adjusted for factors such as size, location and condition.

5 Investment in subsidiaries

	2024	2023
	S$	S$
Unquoted equity shares, at cost	**20,688,102**	**20,688,102**

Details of the subsidiaries: -

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Percentage of equity held		Cost	
			2024	2023	2024	2023
			%	%	S$	S$
Intellect Design Arena, Inc.	United States of America	To develop software and to sell and provide software related services in the finance industry	100	100	18,518,195	18,518,195
Intellect Design Arena Philippines, Inc. (*)	Philippines	To develop software and to sell and provide software related services in the finance industry	100	100	650,100	650,100
PT Intellect Design Arena, Indonesia (#)	Indonesia	To develop software and to sell and provide software related services in the finance industry	100	100	335,250	335,250
Intellect Design Arena Ltd (+)	Thailand	To develop software and to sell and provide software related services in the finance industry	100	100	917,441	917,441
Intellect Design Sdn Bhd.	Malaysia	To develop software and to sell and provide software related services in the finance industry	100	100	169,400	169,400

5 Investment in subsidiaries *(Cont'd)*

Details of the subsidiaries: *(Cont'd)*

Name of subsidiaries	Country of incorporation and place of business	Principal activities	Percentage of equity held		Cost	
			2024	2023	2024	2023
			%	%	S$	S$
Intellect Design Arena Pty. Ltd.	Australia	To develop software and to sell and provide software related services in the finance industry	100	100	97,716	97,716
					20,688,102	**20,688,102**

(*) 7 shares are held by current officers of the subsidiary on behalf of the Company. (2023:2 shares are held by current officers and 1 share held by ex-officer of the subsidiary and 1 share is held by current director and 2 shares are held by an ex-director of the Company on behalf of the Company).

(#) 10 shares are held by an ex-commissioner of the subsidiary on behalf of the Company (2023:10 shares are held by a commissioner of the subsidiary on behalf of the Company).

(+) 1 share is held by current director and 1 share is held by current officer of the subsidiary on behalf of the Company. (2023:2 shares are held by certain directors on behalf of the Company).

6 Deferred tax assets

	2024	2023
	S$	S$
Provision for expenses	**14,557**	**15,347**

The movement in the deferred tax assets are as follows:

	2024	2023
At beginning of year	15,347	58,118
Credit/(Debit) to profit or loss	945	(37,339)
Currency translation	(1,735)	(5,432)
At end of the year	**14,557**	**15,347**

Refer **Note 23** to the financial statements for deferred tax not recognised.

7 Trade receivables

	2024	2023
	S$	S$
Outside parties	1,155,158	891,133
Accrued revenue:		
- Outside parties	526,112	515,659
- Holding company	4,200,187	2,422,973
	5,881,457	**3,829,765**

7 Trade receivables *(Cont'd)*

The average credit period given to external customers' average 30 days (2023:30 days). No interest is charged on the trade receivables.

The table below is an analysis of trade receivables aging as at March 31:

	2024	2023
	S$	S$
Not past due	824,639	206,925
Past due 1 to 30 days	233,677	81,505
Past due 31 to 60 days	18,111	379,557
Past due more than 60 days (*)	78,731	223,146
	1,155,158	**891,133**

The Company has not made any allowance on all these receivables, except for those doubtful of recovery, as the directors are of the view that all the receivables are recoverable. Allowance for doubtful debts is only made for receivables that management deems has credit risk and is doubtful of full recovery.

Trade receivables deemed as credit risk relates to mainly debtors' balances that are past due for more than 365 days. These receivables are not secured by any collateral or credit enhancement. The allowances are charged to profit or loss.

The trade receivables that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Indian Rupee	88,598	99,793
Japanese Yen	1,012,836	415,414
United States Dollar	387,893	688,292

8 Other receivables

	2024	2023
	S$	S$
Sundry receivables	15,609	13,531
Subsidiaries:		
- Loan	3,059,334	2,573,415
- Interest accrued	82,723	50,190
Related companies:		
- Loan	5,198,397	4,172,947
- Interest accrued	80,910	108,384
Deposits	2,100	51,841
	8,439,073	**6,970,308**

The amount due from subsidiaries and related companies are unsecured, interest free and repayable on demand, except that the loan to subsidiaries and related companies bear interest at a rate of 3.5% (2023:3.5%) per annum. The loan and advances to the subsidiaries and related companies are guaranteed by the holding company.

8 Other receivables *(Cont'd)*

The other receivables that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Japanese Yen	15,449	49,825
United States Dollar	5,279,717	4,281,331

9 Contract asset

	2024	2023
	S$	S$
Outside parties	7,567,180	4,941,942
Less: Allowance for doubtful debts		
- At beginning of year	-	86,588
- Amount written off	-	(702)
- Allowance no longer required	-	(85,886)
- At end of the year	-	-
	7,567,180	**4,941,942**

10 Cash at banks

The cash at banks that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Japanese Yen	244,840	33,998
United States Dollar	1,840,463	508,700

11 Share capital

	2024	2024	2023	2023
	No. of shares issued	S$	No. of shares issued	S$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	11,717,500	11,717,500	11,717,500	11,717,500

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 restriction and have no par value.

12 Share option reserve

	2024	2023
	S$	S$
At beginning of the year	338,394	647,272
Value of employees' service	4,499	(17,038)
Exercised/cancelled during the year	(126,606)	(291,840)
At end of the year	**216,287**	**338,394**

The holding company, Intellect Design Arena Ltd, has various plans that provide for the granting of stock options and restricted stock units to employees of the Group, that includes the employees and directors of the Company. The stock options and restricted stock units allow for the option holder to subscribe for the equity shares of the holding company at the respective exercise price stipulated in the terms of the option and restricted stock unit plans.

As per FRS 102, Share-based Payment, the cost of the stock options and restricted stock units granted to the employees (equity-settled) are measured at the fair value of the equity instruments granted on the grant date, using the Black Scholes Model. The cost is recognised together with a corresponding increase in the share option reserve over the period in which the performance is fulfilled by the employee.

13 Lease liabilities

	2024	2023
	S$	S$
Secured:		
Current	-	21,765

In 2023, the liability effective interest rate was 1.3% to 5.2% per annum.

The Company had lease contract for office premises. The Company's obligation under this lease as secured by the Company's right-of-use assets.

A reconciliation of liabilities arising from the financing activity is as follows:

			Non-cash changes	
	At beginning of year	Cash flows	Accretion of interest	At end of year
	S$	S$	S$	S$
2024				
Lease liabilities	21,765	(21,766)	1	-
2023				
Lease liabilities	82,593	(61,866)	1,038	21,765

The lease liabilities that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Japanese Yen	-	21,607

14 Trade payables and accruals

	2024	2023
	S$	S$
Trade payables:		
- Holding company	3,371,745	6,478,829
GST payable	171,323	148,817
Accrued expenses:		
- Outside parties	683,653	1,006,470
- Holding company	11,585,433	1,432,387
	15,812,154	**9,066,503**

The average credit period received is 90 days (2023:90 days). No interest is charged on the trade payables.

The trade payables and accruals that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Indian Rupee	-	17,150
Indonesian Rupiah	285	36,381
Japanese Yen	297,620	-
United States Dollar	-	404,739

15 Other payables

	2024	2023
	S$	S$
Sundry payables	4,783	5,795
Related companies:		
- Loan	2,940,157	3,551,527
- Interest accrued	25,601	29,723
	2,970,541	**3,587,045**

The amount due to related companies are unsecured, interest free and repayable on demand except for the loan to related companies that bear interest at a rate of 3.25% to 3.76% (2023: 3.25% to 3.76%) per annum.

The other payables that are not denominated in Singapore Dollar are as follows: -

	2024	2023
	S$	S$
Australian Dollar	534,097	755,296
Japanese Yen	4,783	5,994
Swiss Franc	300,569	292,921
United States Dollar	2,131,091	2,533,033

16 Contract liability

	2024	2023
	S$	S$
Deferred revenue	**793,160**	**689,817**

17 Revenue

	2024	2023
	S$	S$
Type of income:		
Sale of license	183,827	-
Services income	15,366,128	9,667,900
Maintenance service	3,529,451	2,523,358
	19,079,406	**12,191,258**
Timing of revenue recognition:		
At a point in time	183,827	-
Over time	18,895,579	12,191,258
	19,079,406	**12,191,258**

The Company has not provided for variable consideration during the financial year.

18 Other income

	2024	2023
	S$	S$
Government grant:		
- Jobs growth incentive	-	80,786
Interest income from loans:		
- Subsidiaries	85,407	54,134
- Related companies	146,738	111,560
Miscellaneous income	6,396	37,129
Rental income	59,100	52,800
	297,641	**336,409**

19 Cost of services

	2024	2023
	S$	S$
Consultancy charges	11,812,769	4,701,874
Software license	243,042	132,816
	12,055,811	**4,834,690**

20 Salaries and employee benefits

	2024	2023
	S$	S$
Salaries and wages	3,291,735	4,469,403
CPF contribution (defined)	83,690	81,946
Director's remuneration	233,729	201,937
CPF on director's remuneration (defined)	16,169	15,624
Insurance	88,015	96,715
Share based compensation:		
- Charge for the year	4,499	55,895
- Reversal on resignation (before vesting)	-	(72,933)
Staff training and welfare	302,604	284,978
Social security cost	213,103	224,311
	4,233,544	**5,357,876**

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2024	2023
	S$	S$
Salaries and other employee benefits	249,898	217,561
Share based compensation	11,032	1,225

21 Finance costs

	2024	2023
	S$	S$
Interest on loans from related companies	69,686	69,374
Interest on loans from subsidiary	30,179	43,782
Interest on lease liabilities	1	1,038
	99,866	**114,194**

22 Profit before Income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

	2024	2023
	S$	S$
Allowance for doubtful debts - contract assets (outside party):		
- Reversal of allowance no longer required	-	(85,886)
Foreign exchange loss	134,776	41,206
Professional charges	118,773	113,611
Transport and travelling	95,994	155,986

23 Income tax expense

	2024	2023
	S$	S$
Current year	557,587	299,394
Prior year under provision	33,494	5,499
Deferred tax (credit)/expense	(945)	37,339
Foreign withholding tax	10,247	98,821
	600,383	**441,053**

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit before income tax as a result of the following differences:

	2024	2023
	S$	S$
Profit before income tax	**2,713,664**	**1,764,909**
Tax expense at tax rate (*)	517,725	366,513
Non-taxable income	(60,254)	(20,142)
Non-deductible items	12,898	18,234
Statutory stepped income exemption	(17,425)	(17,425)
Deferred tax:		
- Arising in the year not provided	888	(8,711)
- Under provided in prior year	-	10,182
Foreign withholding tax	10,247	98,821
Withholding tax credit	-	(52,727)
Prior year under provision	33,494	5,499
Other local taxes	65,465	57,436
Other items	37,345	(16,627)
Income tax expense for the financial year	**600,383**	**441,053**

(*) Reconciliation is arrived by aggregating separate reconciliation prepared using the domestic rate in each individual jurisdiction (of the company and its branch).

Deferred tax liabilities as of end of the financial year not recognised in the financial statements are as follows:

	2024	2023
	S$	S$
Differences in depreciation	-	29,000

The deferred tax liabilities is not recognised as the amount is not significant.

24 Holding company and related companies transactions

Some of the Company's transactions and arrangement are with holding company and related companies and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

24 Holding company and related companies transactions *(Cont'd)*

During the financial year, the Company entered into the following transactions:

	2024	2023
	S$	S$
Holding company		
Consultancy charges paid	11,581,144	4,701,874
Subsidiaries		
Interest received	85,407	54,134
Interest paid	30,179	43,782
Related companies		
Interest received	146,738	111,560
Interest paid	69,686	69,374

25 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2024	2023
	S$	S$
Financial assets		
Amortised cost:		
- Trade receivables	5,881,457	3,829,765
- Other receivables	8,439,073	6,970,308
- Cash at banks	2,743,461	557,125
Total financial assets	**17,063,991**	**11,357,198**
Financial liabilities		
Amortised cost:		
Trade payables and accruals *(excluding GST)*	15,640,831	8,917,686
Other payables	2,970,541	3,587,045
Lease liabilities	-	21,765
Total financial liabilities	**18,611,372**	**12,526,496**

(b) Fair value measurements

Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

25 Financial instruments, financial and capital risk management *(Cont'd)*

(b) Fair value measurements *(Cont'd)*

Fair value hierarchy *(Cont'd)*

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

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

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Assets measured at fair value

	Level 1	Level 2	Level 3	Total
	S$	S$	S$	S$
2024				
Non-financial assets:				
Investment property	-	-	1,200,000	1,200,000
2023				
Non-financial assets:				
Investment property	-	-	950,000	950,000

For measurements:

Level 1 - Investment property basis of valuation are disclosed in **Note 4** to the financial statements).

Assets and liabilities not measured at fair value

(i) ***Trade receivables and trade payables***

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

(ii) ***Other receivables, cash at banks and other payables***

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

(iii) ***Lease liabilities***

Lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

(c) Financial risk management

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

25 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk. It maintains a level of cash and bank balances that is sufficient for working capital purposes.

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

		Cash flows		
	Carrying amount	Contractual cash flow	Less than 1 year	Within 2 to 5 years
	S$	S$	S$	S$
2024				
Financial assets				
Trade receivables	5,881,457	5,881,457	5,881,457	-
Other receivables	8,439,073	8,439,073	8,439,073	-
Cash at banks	2,743,461	2,743,461	2,743,461	-
Total undiscounted financial assets	17,063,991	17,063,991	17,063,991	-
Financial liabilities				
Trade payables and accruals	(15,640,831)	(15,640,831)	(15,640,831)	-
Other payables	(2,970,541)	(2,970,541)	(2,970,541)	-
Total undiscounted financial liabilities	(18,611,372)	(18,611,372)	(18,611,372)	-
Total net undiscounted financial liabilities	**(1,547,381)**	**(1,547,381)**	**(1,547,381)**	-

25 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Liquidity risk (Cont'd)

	Carrying amount	Cash flows: Contractual cash flow	Less than 1 year	Within 2 to 5 years
	S$	S$	S$	S$
2023				
Financial assets				
Trade receivables	3,829,765	3,829,765	3,829,765	-
Other receivables	6,970,308	6,970,308	6,970,308	-
Cash at banks	557,125	557,125	557,125	-
Total undiscounted financial assets	11,357,198	11,357,198	11,357,198	-
Financial liabilities				
Trade payables and accruals	(8,917,686)	(8,917,686)	(8,917,686)	-
Other payables	(3,587,045)	(3,587,045)	(3,587,045)	-
Lease liabilities	(21,765)	(21,765)	(21,765)	-
Total undiscounted financial liabilities	(12,526,496)	(12,526,496)	(12,526,496)	-
Total net undiscounted financial liabilities	**(1,169,298)**	**(1,169,298)**	**(1,169,298)**	-

Credit risk

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 365 days past the credit due dates, or there is significant difficulty of the counterparty.

Cash at banks are placed with credit worthy financial institutions.

Trade and other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, historical credit loss experience based on the past due status of the debtors, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL for trade and other receivables and has determined that the ECL is insignificant.

25 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Credit risk (Cont'd)

The Company's trade receivables of outside parties comprise a customer's balance that comprise of 77% (2023: a customer's balances that comprise of 91%) of the Company's trade receivables and contract asset from outside parties.

The Company also has significant exposure of credit risk in relation to its other receivables from its subsidiaries and a related company. Two subsidiaries' (2023: three subsidiaries) and a related company's (2023: a related company) balance comprise 100% (2023:100%) and 100% (2023:100%) of the subsidiaries and related company's balances respectively.

The management does not foresee any risk of default by these parties as they creditworthy customers and the balances are not past due. Further details of credit risks on trade receivables are disclosed in **Note 7** to the financial statements.

Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates as it has no interest-bearing borrowings with variable interest rates as of end of the financial year.

Foreign currency risk

The Company transacts its business in Singapore Dollar and also in other currencies such as United States Dollar, Japanese Yen and few other currencies.

At financial year end, the carrying amounts of monetary assets and liabilities denominated in currencies other than in the functional currency of the Company are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

The Company has investment in foreign subsidiaries where net assets are exposed to currency translation risk. The Company has not taken up any hedge from this exposure.

Any increase or decrease in the following foreign currencies will have an impact on the financial statements:

	2024	2023
	S$	S$
Increase in the rate of the foreign currencies against Singapore Dollar will increase/(decrease) the profit before tax by:		
Australian Dollar	(53,000)	(76,000)
Indian Rupee	9,000	8,000
Indonesian Rupiah	-	(3,600)
Japanese Yen	97,100	47,200
Swiss Franc	(30,000)	(29,000)
United States Dollar	538,000	254,000

A corresponding decrease in the rate of foreign currencies will have the vice-versa effect on the results of the Company.

The fluctuations in the other foreign currencies against the Singapore Dollar will not have any significant impact on the results of the Company.

25 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Price risk

As of end of the financial year end, the Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity. The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

As part of the management's review of the capital structure, the management considers the cost of capital and the risks associated with each class of capital. The management will balance its overall capital structure through the payment of dividends, new issue of shares, obtaining new loans or repayment of loans.

The management's overall strategy remains unchanged from 2023.

26 New accounting standards and FRS interpretations

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

				Effective from annual periods beginning on or after
FRS 1	(Amendments)	:	Classification of Liabilities as Current or Non-current	January 1, 2024
FRS 1	(Amendments)	:	Non-current Liabilities with Covenants	January 1, 2024
FRS 7/FRS 107	(Amendments)	:	Supplier Finance Arrangements	January 1, 2024
FRS 21	(Amendments)	:	Lack of Exchangeability	January 1, 2025
FRS 116	(Amendments)	:	Lease Liability in a Sale and Leaseback	January 1, 2024

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

27 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on May 8, 2024.

Intellect Design Arena Pte. Ltd.

Schedule For Property, Plant And Equipment

2024	Leasehold properties	Furniture & fittings	Office equipment	Computers & peripherals	Computer software	Renovation	Right-of-use assets	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Cost								
At April 1, 2023	503,800	93,103	57,677	31,005	52,671	157,291	219,174	1,114,721
Additions	-	-	-	668	3,438	-	-	4,106
Disposal	-	(4,101)	-	-	-	-	(3,637)	(7,738)
Currency alignment	-	(517)	(31)	-	(276)	-	(23,555)	(24,379)
At March 31, 2024	503,800	88,485	57,646	31,673	55,833	157,291	191,982	1,086,710
Depreciation								
At April 1, 2023	189,432	86,832	56,222	31,005	50,626	154,029	195,871	764,017
Charge for the year	9,160	908	165	668	3,319	381	16,479	31,080
Disposal	-	(1,709)	-	-	-	-	(788)	(2,497)
Currency alignment	-	(207)	(31)	-	(264)	-	(21,677)	(22,179)
At March 31, 2024	198,592	85,824	56,356	31,673	53,681	154,410	189,885	770,421
Net book value								
At March 31, 2024	**305,208**	**2,661**	**1,290**	**-**	**2,152**	**2,881**	**2,097**	**316,289**

Intellect Design Arena Pte. Ltd.

Schedule For Property, Plant And Equipment

2023	Leasehold properties	Furniture & fittings	Office equipment	Computers & peripherals	Computer software	Renovation	Right-of-use assets	Total
	S$	S$	S$	S$	S$	S$	S$	S$
Cost								
At April 1, 2022	503,800	93,583	57,706	31,005	50,928	157,291	239,747	1,134,060
Additions	-	-	-	-	1,999	-	1,788	3,787
Currency alignment	-	(480)	(29)	-	(256)	-	(22,361)	(23,126)
At March 31, 2023	503,800	93,103	57,677	31,005	52,671	157,291	219,174	1,114,721
Depreciation								
At April 1, 2022	180,272	85,759	56,033	31,005	47,926	153,649	156,856	711,500
Charge for the year	9,160	1,209	218	-	2,890	380	54,393	68,250
Currency alignment	-	(136)	(29)	-	(190)	-	(15,378)	(15,733)
At March 31, 2023	189,432	86,832	56,222	31,005	50,626	154,029	195,871	764,017
Net book value								
At March 31, 2023	**314,368**	**6,271**	**1,455**	**-**	**2,045**	**3,262**	**23,303**	**350,704**

Intellect Design Arena Pte. Ltd.

The Accompanying Supplementary Detailed Income Statement

Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

	2024	2023
	S$	S$
Revenue		
Sale of license	183,827	-
Services income	15,366,128	9,667,900
Maintenance service	3,529,451	2,523,358
	19,079,406	12,191,258
Other income		
Government grants		
- Jobs growth incentive	-	80,786
Interest income from loans:		
- Subsidiaries	85,407	54,134
- Related companies	146,738	111,560
Miscellaneous income	6,396	37,129
Rental income	59,100	52,800
	297,641	336,409
Fair value increase on investment property	250,000	-
Cost of services		
Consultancy charges	(11,812,769)	(4,701,874)
Software license	(243,042)	(132,816)
	(12,055,811)	(4,834,690)
Salaries and employee benefits		
Salaries and wages	(3,291,735)	(4,469,403)
CPF contribution (defined)	(83,690)	(81,946)
Director's remuneration	(233,729)	(201,937)
CPF on director's remuneration (defined)	(16,169)	(15,624)
Insurance	(88,015)	(96,715)
Share based compensation:		
- Charge for the year	(4,499)	(55,895)
- Reversal on resignation (before vesting)	-	72,933
Staff training and welfare	(302,604)	(284,978)
Social security cost	(213,103)	(224,311)
	(4,233,544)	(5,357,876)
Depreciation of property, plant and equipment	(31,080)	(68,250)
Other operating expenses		
Allowance for doubtful debts - contract assets (outside party):		
- Reversal of allowance no longer required	-	85,886
Bank charges	(20,237)	(20,381)
Business promotion	(33,449)	(89,488)

Cont'd

Intellect Design Arena Pte. Ltd.

Detailed Income Statement *For the financial year ended March 31, 2024*

	2024	2023
	S$	S$
Other operating expenses *(Cont'd)*		
Donation	(10,000)	-
Foreign exchange loss	(134,776)	(41,206)
General expenses	(144)	(115)
Insurance	(422)	(422)
Loss on disposal of property, plant and equipment	(2,497)	-
Membership and subscription	(55)	(2,826)
Professional charges	(118,773)	(113,611)
Postage and courier	(734)	(2,200)
Printing and stationery	(3,760)	(3,851)
Rates and taxes	(11,006)	(10,768)
Repairs and maintenance	(27,258)	(19,653)
Recruitment expense	(12,500)	-
Telephone expenses	(18,914)	(8,529)
Transport and travelling	(95,994)	(155,986)
Utilities	(2,563)	(4,598)
	(493,082)	(387,748)
Finance costs		
Interest on loans from:		
- Subsidiary	(30,179)	(43,782)
- Related companies	(69,686)	(69,374)
Interest on lease liabilities	(1)	(1,038)
	(99,866)	(114,194)
Profit before income tax	2,713,664	1,764,909
Income tax expense:		
- Current year	(557,587)	(299,394)
- Prior year under provision	(33,494)	(5,499)
- Deferred tax credit/(expense)	945	(37,339)
- Foreign withholding tax	(10,247)	(98,821)
Profit after income tax	2,113,281	1,323,856
Other comprehensive income	-	-
Total comprehensive income for the year	**2,113,281**	**1,323,856**