Addverb Technologies Pte Limited

Financial Statements
2022-23

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ADDVERB TECHNOLOGIES PTE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Addverb Technologies Pte Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 March 2022 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 07 June 2022.

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.

Other Information (cont'd)

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.

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

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

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

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

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

- 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.

Casa Assurance PAC
Public Accountants and
Chartered Accountants

Singapore, 14 April 2023

ADDVERB TECHNOLOGIES PTE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	31st March 2023 S$	31st March 2022 S$
ASSETS			
Non-current asset			
Plant and equipment	4	9,242	10,233
Current assets			
Inventories	5	-	10,178
Trade receivables	6	174,866	142,031
Other receivables and deposits	7	467,217	390,920
Fixed deposit	8	15,000	15,000
Cash and bank balances	9	80,739	131,577
		737,822	689,706
TOTAL ASSETS		**747,064**	**699,939**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,755,000	755,000
Retained earnings		(1,669,856)	(658,264)
		85,144	96,736
Current liabilities			
Trade payables	11	227,729	140,495
Contract liabilities	14.2	397,677	397,677
Other payables and accruals	12	35,774	62,396
Amount due to directors	13	-	2,635
Tax payable		740	-
		661,920	603,203
TOTAL EQUITY AND LIABILITIES		**747,064**	**699,939**

ADDVERB TECHNOLOGIES PTE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 S$	2022 S$
Revenue	14.1	1,206,251	1,041,740
Other income	15	113,472	77,142
Changes in inventories		(10,178)	(52,258)
Purchases and other attributable costs		(118,969)	(245,935)
Depreciation of plant and equipment	4	(4,128)	(2,860)
Employee benefits expense	16	(1,299,251)	(1,103,204)
Other expenses	17	(812,636)	(261,153)
Loss before tax		(925,439)	(546,528)
Income tax expense	18	(86,153)	(51,479)
Loss for the year, representing total comprehensive loss for the year		(1,011,592)	(598,007)

ADDVERB TECHNOLOGIES PTE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Share Capital S$	Retained earnings S$	Total S$
As at 1 April 2021		255,000	(60,257)	194,743
Issuance of shares	10	500,000	-	500,000
Loss for the year, representing total comprehensive loss for the year		-	(598,007)	(598,007)
As at 31 March 2022		755,000	(658,264)	96,736
As at 1 April 2022		755,000	(658,264)	96,736
Issuance of shares	10	1,000,000	-	1,000,000
Loss for the year, representing total comprehensive loss for the year		-	(1,011,592)	(1,011,592)
As at 31 March 2023		1,755,000	(1,669,856)	85,144

ADDVERB TECHNOLOGIES PTE LIMITED

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023	2022
	S$	S$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(925,439)	(546,528)
Adjustment for :-		
Depreciation of plant and equipment	4,128	2,860
	(921,311)	(543,668)
Changes in working capital:		
Inventories	10,178	52,258
Trade and other receivables	(109,132)	(396,597)
Trade and other payables	60,612	63,663
Contract liabilities	-	397,677
Amount due to directors	(2,635)	-
Cash used in operations	(962,288)	(426,667)
Tax paid	(85,413)	(51,479)
Net cash used in operating activities	(1,047,701)	(478,146)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment	(3,137)	(11,086)
Net cash used in investing activity	(3,137)	(11,086)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	1,000,000	500,000
Pledged fixed deposit	-	(15,000)
Net cash generated from financing activities	1,000,000	485,000
Net decrease in cash and cash equivalents	(50,838)	(4,232)
Cash and cash equivalents at beginning of year	131,577	135,809
Cash and cash equivalents at end of year	80,739	131,577

Cash and cash equivalents comprise cash at bank.

ADDVERB TECHNOLOGIES PTE LIMITED

Notes to the Financial Statements
For the financial year ended 31 March 2023

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

1. General

Addverb Technologies Pte Limited ("the Company") is incorporated and domiciled in Singapore with its registered office at 16 Raffles Quay #16-02 Hong Leong Building, Singapore 048581 and principal place of business at 60 Paya Lebar Road #08-46 Paya Lebar Square, Singapore 409051.

The principal activities of the Company consist of provision of robotics and warehouse automation. There have been no significant changes in the nature of the activities during the financial period.

The Company's immediate and ultimate holding company are Addverb Technologies Limited and Reliance Industries Limited respectively. Both companies are incorporated in India. The Company has incorporated a branch in Malaysia on 17 November 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards (''FRS''). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

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 periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023

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

2.3 Standards issued but not yet effective (cont'd)

Descriptions	Effective for annual periods beginning on or after
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency translations and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting 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.

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

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Office equipment	5 years
Computer equipment	3 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

2.5 Plant and equipment (cont'd)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw materials comprise purchase cost accounted for on the first-in first-out method. Finished goods comprise cost of direct materials, direct labour and production overhead based on operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

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

2.8 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), 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 are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

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

2.8 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

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, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.9 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 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 120 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. Restricted deposits are excluded from cash and cash equivalents.

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

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period 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. If 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.

2.12 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

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

2.13 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.

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 asset

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 2.6.

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

2.13 Leases (cont'd)

As lessee (cont'd)

Lease liability

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.

Short-term leases and lease 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 of less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered to be low value. Lease payments on short-term lease and lease of low value assets are recognised as expense on a straight-line basis over the lease term.

2.14 Revenue

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.

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.

Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

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

2.14 Revenue (cont'd)

Software and other services

The Company provides services in design and build robotics and warehouse automation, other software and programming systems for customers through fixed-price contracts. Contract revenue is recognised when the Company's performance creates or enhances an asset that the customer controls as the asset is being created or enhanced.

Revenue from these contracts are recognised over time using the input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with performance completed to date.

Composite contract comprising goods, installation and commissioning and software

Revenue from these contract are recognised over time using input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

Input method recognises revenue over time by reference to the Company's progress, which is measured by comparing the actual costs incurred on the project with the total estimated costs expected to complete the project.

Output method recognises revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output method include methods such as appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered.

The Company apply a single method of measuring progress for each performance obligation satisfied over time depending upon the essence of the contract and the Company applies that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company remeasure its progress towards complete satisfaction of a performance obligation satisfied over time.

Contract modifications that do not add distinct goods or services are accounted for as continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the completion of work and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

If the value of the goods transferred by the Company exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

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

2.14 Revenue (cont'd)

Technical support services

Income from technical support services is recognised as performance obligation is satisfied over time in the period which the service is provided.

2.15 Taxes

(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 end of 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 year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the 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 (GST)

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

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

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

2.16 Share capital

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

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

2.17 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.18 Financial guarantee contracts

Financial guarantee contracts are financial instruments issued by financial institutions on behalf of the Company that require the issuers to make specified payments to reimburse the holder for the loss it incurs because a specified receivable fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

2.19 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:
- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefits 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);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 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 are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimation of total contract costs

The Company has significant ongoing revenue contracts. For certain of these contracts, revenue is recognised over time by reference to the Company's progress towards completing the performance obligations. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Company's recognition of contract revenue. When it is probable that the total unavoidable costs of meeting the obligations under the contract exceed the total contract revenue, a provision for onerous contracts is recognised immediately.

Significant judgement is used to estimate these total contract costs to complete. In making these estimates, management has relied on their internal specialist to determine the progress of the contract and also on past experience of completed contracts.

Expected credit losses on receivables

Expected credit losses ("ECL") are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its receivables, the Company has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved signficant estimates and judgement.

3.2 Judgements made in applying accounting policies

Determination of functional currency

In the process of applying the Company's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

4. Plant and equipment

	Office equipment S$	Computer equipment S$	Total S$
Cost			
At 1 April 2021	-	2,007	2,007
Additions	2,887	8,199	11,086
At 31 March 2022	2,887	10,206	13,093
At 1 April 2022	2,887	10,206	13,093
Additions	-	3,137	3,137
At 31 March 2023	2,887	13,343	16,230
Accumulated depreciation			
At 1 April 2021	-	-	-
Depreciation	317	2,543	2,860
At 31 March 2022	317	2,543	2,860
At 1 April 2022	317	2,543	2,860
Depreciation	435	3,599	4,128
At 31 March 2023	752	6,142	6,988
Net book value			
At 31 March 2022	2,570	7,663	10,233
At 31 March 2023	2,135	7,201	9,242

5. Inventories

	2023 S$	2022 S$
Goods in transit, at cost	-	10,178

6. Trade receivables

	2023 S$	2022 S$
Trade receivables:		
- Immediate holding company	130,875	89,656
- Fellow subsidiaries	5,084	6,090
- Third parties	38,907	46,285
	174,866	142,031

Trade receivables are non-interest bearing and are generally on 15 to 45 (2022: 15 to 45) days term. They are recognised at their original amounts which represent their fair values on initial recognition.

6. Trade receivables (cont'd)

Trade receivables are denominated in the following currencies:

	2023 S$	2022 S$
United States Dollars	38,847	46,225
Singapore Dollars	136,019	95,806
	174,866	142,031

The table below is an analysis of trade receivables as at end of the reporting period:

	2023 S$	2022 S$
Not past due	140,317	77,953
Past due:		
- 0 – 30 days	34,300	61,306
- 31 – 60 days	-	2,658
- More than 60 days	249	114
	34,549	64,078
	174,866	142,031

7. Other receivables and deposits

	2023 S$	2022 S$
Other receivables:		
- Fellow subsidiaries	-	7,953
- Third parties	5,299	26,902
	5,299	34,855
Grant receivables	46,504	29,300
GST receivables	1,146	2,083
Refundable deposits	68,233	37,656
Prepayments	15,728	21,727
Trade deposits to supplier	323,094	265,299
Withholding tax credit	7,213	-
	467,217	390,920

The other receivables and deposits are denominated in the following currencies:

	2023 S$	2022 S$
United States Dollars	99,910	128,607
Singapore Dollars	93,797	98,719
Euro	223,184	163,594
Malaysian Ringgit	50,326	-
	467,217	390,920

8. Fixed deposit

	2023 S$	2022 S$
Pledged fixed deposit	15,000	15,000

The pledged deposit is denominated in Singapore Dollars and carries interest rate of 1.55% (2022: 0%) per annum.

Pledged deposit is for a tenure of 12 months (2022: 12 months) which has been pledged to bank for corporate credit card facility.

9. Cash and bank balances

Cash and bank balances are denominated in the following currencies:

	2023 S$	2022 S$
United States Dollars	7,931	65,081
Singapore Dollars	72,808	66,496
	80,739	131,577

10. Share capital

	2023		2022	
	S$	No. of shares	S$	No. of shares
Issued and fully paid:				
At beginning of year	755,000	755,000	255,000	255,000
Issue of ordinary shares	1,000,000	1,000,000	500,000	500,000
At end of year	1,755,000	1,755,000	755,000	755,000

During the financial year, the Company increased its issued and paid-up share capital from S$755,000 to S$1,755,000 by issue of additional 1,000,000 ordinary shares for cash fully paid to provide for additional working capital.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

11. Trade payables

	2023 S$	2022 S$
Trade payables:		
- Immediate holding company	168,612	70,883
- Third parties	59,117	69,612
	227,729	140,495

Trade payables are non-interest bearing and the carrying amounts approximate their fair values.

Trade payables are denominated in the following currencies:

	2023 S$	2022 S$
United States Dollars	126,501	124,619
Singapore Dollars	98,900	15,876
Malaysian Ringgit	2,328	-
	227,729	140,495

12. Other payables and accruals

	2023 S$	2022 S$
Other payables		
- Immediate holding company	-	34,216
- Third parties	9,936	11,355
	9,936	45,571
Withholding tax payable	-	7,159
Accruals	25,838	9,666
	35,774	62,396

Other payables are non-trade, unsecured, interest-free and repayable on demand.

Other payables and accruals are denominated in the following currencies:

	2023 S$	2022 S$
Singapore Dollars	31,044	62,396
Malaysian Ringgit	4,730	-
	35,774	62,396

13. Amount due to directors

Amount due to directors is non-trade, unsecured, interest-free and is repayable on demand.

14. Revenue

14.1 Disaggregation of revenue

	2023 S$	2022 S$
Major product or service lines		
Software and other services	-	207,252
Sales of goods	146,327	183,857
Technical support services	1,059,924	650,631
	1,206,251	1,041,740
Timing of revenue recognition		
At a point in time	146,327	183,857
Over time	1,059,924	857,883
	1,206,251	1,041,740

14.2 Contract liabilities

	2023 S$	2022 S$
Current	397,677	397,677

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customers for which the Company has received advances from the customers.

Contract liabilities are recognised as revenue as the Company performs under the contract.

15. Other income

	2023 S$	2022 S$
Sundry income	113,472	77,142

16. Employee benefits expense

	2023 S$	2022 S$
Salaries and bonuses	1,240,683	1,064,503
Contribution to provident fund and other funds	48,810	25,900
Other staff expenses	9,758	12,801
	1,299,251	1,103,204

17. Other expenses

	2023 S$	2022 S$
Included in other expenses are the following items:		
Advertising expenses	99,703	-
Professional fees	347,694	50,906
Rental of premises	103,176	83,662
Travelling expenses	163,361	40,875
Other expenses	98,702	85,710
	812,636	261,153

18. Income tax expense

	2023 S$	2022 S$
Withholding tax expenses	85,413	51,479
Current year tax provision	740	-
	86,153	51,479

The tax expenses on loss before tax differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2023 S$	2022 S$
loss before tax	(925,439)	(546,528)
Tax at the applicable tax rate of 17%	(157,325)	(92,910)
Tax effects of :-		
Expenses not tax-deductible	8,741	-
Withholding tax expense	85,413	51,479
Deferred tax assets not recognised	149,324	92,910
	86,153	51,479

At the reporting date, the Company has estimated unabsorbed tax loss approximately amounting to S$1,471,000 (2022: S$605,000) available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Singapore Income Tax Act.

The potential tax benefits arising from such unabsorbed tax loss amounting to S$250,119 (2022: S$102,863) have not been recognised in the financial statements due to the uncertainty of its recoverability.

19. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related party on terms mutually agreed during the financial year are as follows:

	2023 S$	2022 S$
Immediate holding company:		
Technical support service income	(1,021,350)	(609,080)
Installation and commissioning expenses	-	105,427
Purchases	125,770	78,074
Advertising expenses	39,400	-
Liabilities settled on behalf by	-	34,216
Fellow subsidiaries:		
Technical support service income	(36,999)	(19,530)
Liabilities settled on behalf for	-	26,902

Remuneration of Key Management Personnel

The following information relates to the remuneration of directors, who are the key management personnel of the Company during the financial year:

	2023 S$	2022 S$
Director's salaries	59,182	196,529

20. Lease commitment payable

As at end of the reporting period, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2023 S$	2022 S$
Short-term leases		
Less than one year	67,438	90,240
One year to five years	-	15,040
	67,438	105,280

21. Fair value of assets and liabilities

Fair value measurements

There is no significant difference between the fair values of other financial assets and liabilities and their respective carrying values in the statement of financial position, due to the relative short term maturity of these financial instruments.

21. Fair value of assets and liabilities (cont'd)

Categories of financial assets and financial liabilities:

	2023 S$	2022 S$
Financial assets measured at amortised cost :		
Trade receivables	174,866	142,031
Other receivables and deposits	443,130	367,110
Fixed deposit	15,000	15,000
Cash and bank balances	80,739	131,577
	713,735	655,718
Financial liabilities measured at amortised cost :		
Trade payables	227,729	140,495
Other payables and accruals	35,774	55,237
Amount due to directors	-	2,635
	263,503	198,367

22. Financial risk management

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

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.

22.1 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 and cash equivalents), 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 considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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 90 days or there is significant difficulty of the counterparty.

22. Financial risk management (cont'd)

22.1 Credit risk (cont'd)

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	**Definition of Category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	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

The Company has not recognised ECL as at 31 March 2023 and 31 March 2022 as the impact is insignificant to the financial statements.

22. Financial risk management (cont'd)

22.1 Credit risk (cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

22.2 Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term 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. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuing of funding and flexibility through the use of standby credit facilities. The Company finances its working capital requirements through funds generated from operations. The directors are satisfied that the funds are available to finance the operations of the Company.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

	One year or less S$	One to five years S$	Total S$
2023			
Trade payables	227,729	-	227,729
Other payables and accruals	35,774	-	35,774
	263,503	-	263,503
2022			
Trade payables	140,495	-	140,495
Other payables and accruals	55,237	-	55,237
Amount due to directors	2,635	-	2,635
	198,367	-	198,367

22.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

22. Financial risk management (cont'd)

22.3 Market Risk (cont'd)

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company's currency exposures to the foreign currencies at the reporting date were as follows:

	2023		2022	
	USD	**EUR**	**USD**	**EUR**
	S$	**S$**	**S$**	**S$**
Financial assets				
Trade receivables	38,847	-	46,225	-
Other receivables and deposits	99,910	223,184	128,607	163,594
Cash and bank balances	7,931	-	65,081	-
	146,688	223,184	239,913	163,594
Financial liabilities				
Trade payables	126,501	-	124,619	-
	126,501	-	124,619	-
Net currency exposure	20,187	223,184	115,294	163,594

A 10% strengthening of Singapore Dollars against the foreign currencies denominated balances as at the reporting date would increase/(decrease) before-tax-losses by the amounts shown below. The analysis assumes that all other variables remain constant.

	Increase/ (Decrease) in before-tax-loss 2023 S$	**Increase/ (Decrease) in before-tax-loss 2022 S$**
United States Dollars (USD)	2,019	11,529
Euro (EUR)	22,318	16,359

A weakening of the Singapore Dollars against the foreign currencies would have an equal but opposite effect.

As at 31 March 2023, the Company's currency exposure in other currency is insignificant.

23. Reclassification of comparative figures

During the financial period, the Company has made the following reclassification to reflect more appropriate presentation:

	As previously stated S$	Reclassification S$	As restated S$
2022			
Statement of financial position			
Trade deposits to supplier (Note 7)	-	265,299	265,299
Contract assets	265,299	(265,299)	-
Cash and bank balances	146,577	(15,000)	131,577
Fixed deposit	-	15,000	15,000

24. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company adjusts the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022 respectively.

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorized for issue by the Board of Directors of the Company on 14 April 2023.

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Bir Singh
Director
14th April 2023

…………………………………..
Sylvain Gerard Bernard Auray
Director
14th April 2023