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**INTELLECT DESIGN ARENA PTE. LTD.**

*(Company Registration No. 199701040R)*

**Financial Statements For The Year Ended March 31, 2020**

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# Intellect Design Arena Pte. Ltd.

*(Incorporated in the Republic of Singapore)*

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## Directors

Jaideep Billa

Swaminathan Subramanian

Ravanasamudram Nilakantam Nagaraj Prasad

Anand Pande

(Resigned on 23.03.2020)

## Secretary

Vangal Rangarajan Ranganathan

(Resigned on 13.01.2020)

Raja Muhammad Shah Bin Abdullah

(Appointed on 13.01.2020)

## 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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# Intellect Design Arena Pte. Ltd.

## Directors' Statement

*For the financial year ended March 31, 2020*

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2020.

### **1 Directors**

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

Jaideep Billa

Swaminathan Subramanian

Ravanasamudram Nilakantam Nagaraj Prasad

### **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.

# Intellect Design Arena Pte. Ltd.

## Directors' Statement

*For the financial year ended March 31, 2020*

### 5 Auditors

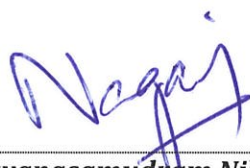
The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

### 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, 2020 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, Cap. 50 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**



*Jaideep Billa*  
**Jaideep Billa**

Date: June 10, 2020

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**  
*(Incorporated in the Republic of Singapore)*

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**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, 2020, 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 significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (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, 2020 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.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to **Note 5** to the financial statements. The Company has investments in subsidiaries amounting to S\$14,204,352 that includes subsidiaries in operations for more than 4 years. The subsidiaries other than Intellect Design Sdn. Bhd. and Intellect Design Arena Pty. Ltd. are in capital deficit and/or had incurred loss during the financial year. The management does not consider any impairment is necessary for the cost of investment in these subsidiaries based on future projections of results for these subsidiaries. The forecast is based on several factors and actual results may differ from forecast.

**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.



**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**  
*(Incorporated in the Republic of Singapore)*

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**Other Information (Cont'd)**

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

**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.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF INTELLECT DESIGN ARENA PTE. LTD.**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**  
*(Incorporated in the Republic of Singapore)*

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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**  
**Public Accountants and Chartered Accountants Singapore**

Date: June 10, 2020

# Intellect Design Arena Pte. Ltd.

## Statement of Financial Position

As at March 31, 2020

	Note	2020	2019
		S\$	S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	459,825	374,474
Investment property	4	950,000	950,000
Investment in subsidiaries	5	14,204,352	14,204,452
Deferred tax assets	6	25,027	7,045
<b>Total non-current assets</b>		<b>15,639,204</b>	<b>15,535,971</b>
<b>Current assets</b>			
Trade receivables	7	2,661,850	1,349,274
Other receivables	8	5,393,146	4,999,131
Prepayments		46,979	44,843
Contract asset	9	6,311,354	1,381,509
Cash at banks	10	847,308	1,361,872
Income tax receivable		-	168,457
<b>Total current assets</b>		<b>15,260,637</b>	<b>9,305,086</b>
<b>Total assets</b>		<b>30,899,841</b>	<b>24,841,057</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	5,217,500	5,217,500
Share option reserve	12	443,615	492,173
Accumulated profits		9,310,921	9,032,517
Property revaluation reserve		649,985	649,985
<b>Total equity</b>		<b>15,622,021</b>	<b>15,392,175</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	68,862	-
<b>Total non-current liabilities</b>		<b>68,862</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables and accruals	14	13,162,198	8,791,242
Other payables	15	1,291,568	342,175
Contract liability	16	635,221	309,965
Lease liabilities	13	27,086	-
Income tax payable		92,885	5,500
<b>Total current liabilities</b>		<b>15,208,958</b>	<b>9,448,882</b>
<b>Total liabilities</b>		<b>15,277,820</b>	<b>9,448,882</b>
<b>Total equity and liabilities</b>		<b>30,899,841</b>	<b>24,841,057</b>

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



# Intellect Design Arena Pte. Ltd.

## Statement of Comprehensive Income

For the financial year ended March 31, 2020

	Note	<u>2020</u>	<u>2019</u>
		S\$	S\$
Revenue	17	13,347,363	24,942,215
Other income	18	295,544	66,092
Cost of services	19	(5,036,342)	(13,472,280)
Salaries and employee benefits	20	(6,685,179)	(7,184,662)
Depreciation of property, plant and equipment	3	(67,998)	(28,096)
Other operating expenses		(1,387,663)	(1,901,956)
Finance costs	21	(29,961)	(28,298)
<b>Profit before income tax</b>	22	<u>435,764</u>	<u>2,393,015</u>
Income tax expense	23	(211,305)	(191,592)
<b>Profit after income tax</b>		<u>224,459</u>	<u>2,201,423</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
- Surplus on revaluation of leasehold property		-	649,985
<b>Other comprehensive income for the year, net of tax</b>		-	<u>649,985</u>
<b>Total comprehensive income for the year</b>		<u><u>224,459</u></u>	<u><u>2,851,408</u></u>

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

# Intellect Design Arena Pte. Ltd.

## Statement of Changes in Equity

For the financial year ended March 31, 2020

	Note	Share capital	Share option reserve	Accumulated profits	Property revaluation reserve	Total
		S\$	S\$	S\$	S\$	S\$
<b>Balance as at 01.04.2018</b>		<b>5,217,500</b>	<b>341,048</b>	<b>6,825,629</b>	<b>-</b>	<b>12,384,177</b>
Value of employee services	12	-	156,590	-	-	156,590
Share option exercised/forfeited	12	-	(5,465)	5,465	-	-
Total comprehensive income for the year		-	-	2,201,423	649,985	2,851,408
<b>Balance as at 31.03.2019</b>		<b>5,217,500</b>	<b>492,173</b>	<b>9,032,517</b>	<b>649,985</b>	<b>15,392,175</b>
Value of employee services	12	-	5,387	-	-	5,387
Share option exercised/forfeited	12	-	(53,945)	53,945	-	-
Total comprehensive income for the year		-	-	224,459	-	224,459
<b>Balance as at 31.03.2020</b>		<b>5,217,500</b>	<b>443,615</b>	<b>9,310,921</b>	<b>649,985</b>	<b>15,622,021</b>

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

# Intellect Design Arena Pte. Ltd.

## Statement of Cash Flows

For the financial year ended March 31, 2020

	2020	2019
	S\$	S\$
<b>Cash flows from operating activities</b>		
Profit before income tax	435,764	2,393,015
Adjustments for:		
Depreciation of property, plant and equipment	67,998	28,096
Interest income	(92,042)	(14,119)
Interest on loans from related companies	28,027	28,298
Interest on lease liabilities	1,934	-
Share based compensation	5,387	156,590
Currency translation	(3,723)	378
Operating profit before working capital changes	443,345	2,592,258
Trade receivables	(1,312,576)	(267,050)
Other receivables and prepayments	(341,752)	(3,223,828)
Contract asset	(4,929,845)	(1,254,054)
Trade payables and accruals	4,370,956	5,674,327
Other payables	(33,699)	30,748
Contract liability	325,256	93,012
Cash (used in)/generated from operations	(1,478,315)	3,645,413
Interest received	37,643	6,762
Income tax received/(paid)	27,936	(704,127)
Net cash (used in)/from operating activities	(1,412,736)	2,948,048
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,075)	(17,600)
Proceeds from disposal of investment in subsidiary	100	-
Investment in subsidiaries	-	(610,000)
Net cash used in investing activities	(5,975)	(627,600)
<b>Cash flows from financing activities</b>		
Interest paid	-	(28,298)
Other payables - holding company and related companies	955,065	(1,649,442)
Payment of principal portion of lease liabilities	(50,918)	-
Net cash from/(used in) financing activities	904,147	(1,677,740)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(514,564)	642,708
Cash and cash equivalents brought forward	1,361,872	719,164
<b>Cash and cash equivalents carried forward</b>	<b>847,308</b>	<b>1,361,872</b>
<b>Cash and cash equivalents comprise: -</b>		
Cash at banks	847,308	1,361,872
	<b>847,308</b>	<b>1,361,872</b>

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

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

*For the financial year ended March 31, 2020*

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 Significant accounting policies

#### 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, Chapter 50. 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 Significant accounting policies (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 Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS 28	(Amendments)	: Long-term Interests in Associates and Joint Ventures
FRS 109	(Amendments)	: Prepayment Features with Negative Compensation
FRS 116		: Leases

***Improvements to FRSs******Annual Improvements to FRS***

FRS 12	(Amendments)	: Income Taxes
FRS 23	(Amendments)	: Borrowing Costs
FRS 103	(Amendments)	: Business Combinations
FRS 111	(Amendments)	: Joint Arrangements

***Adoption of new and amended standards and interpretations*****FRS 116 Leases**

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position (refer **Note 2(t)**).

There is no material effect of adopting FRS 116 as at 1 April 2019 as there was no material operating lease commitment as of March 31, 2019. As provided for in FRS 116, short term leases and leases of low-value assets are not required to be recognised.

**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.



**2 Significant accounting policies (Cont'd)****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.

**Depreciation**

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.

**Investment property**

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.

**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.

**2 Significant accounting policies (Cont'd)****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).

**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
Other assets	-	6	years
Right-of-use assets	-	Over lease period	

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

**2 Significant accounting policies (Cont'd)****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.

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.

**2 Significant accounting policies (Cont'd)****)) 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.

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

**2 Significant accounting policies (Cont'd)****i) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)*****Subsequent measurement (Cont'd)***

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.

***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.



**2 Significant accounting policies (Cont'd)****j) Financial instruments (Cont'd)****(i) Financial assets (Cont'd)*****Impairment of financial assets***

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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. 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.

**2 Significant accounting policies (Cont'd)****j) Financial instruments (Cont'd)****(ii) Financial liabilities (Cont'd)*****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.

**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.

**2 Significant accounting policies (Cont'd)****n) Related parties (Cont'd)**

(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);
- (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's revenues are generated from its sales of software license; provision of implementation services; and provision of maintenance and support services.

**2 Significant accounting policies (Cont'd)****p) Revenue recognition (Cont'd)**

Revenue from sale of its software license are recognised when they deliver to the customer and all criteria for acceptance are satisfied. Revenue from implementation services are recognised as and when services are rendered over the time period as disclosed below.

Revenue from implementation services are either on time and material contracts or fixed price contracts. The revenue from the contracts are recognised on the following basis:-

**(a) Time-and-material contracts**

Revenue with respect to time-and-material contracts is recognised as the related services are performed.

**(b) Fixed price contracts**

Revenue related to fixed price contracts are recognised in accordance with the percentage of completion method (PCM). Percentage of completion is measured by reference to the milestones completed in proportion to the deliverable as per the contracts with the customers. The contract sum is apportioned over each milestone to be completed based on the input (efforts) required to complete the milestones. Revenue is recognised in accordance with the milestone completed. Provision for estimated losses on incomplete contracts are recorded in the year in which losses become probable based on the current contract estimates.

For services accounted for under the PCM method, earnings in excess of billing are classified as contract assets, while billing in excess of earnings are classified as contract liabilities.

Revenue from maintenance and software support services are recognised on prorata basis over the period of the contract.

***Multiple-element arrangements***

When a sales arrangement contains multiple elements, such as services, hardware and software products and licenses, revenue for each element is based on a selling price hierarchy. The selling price for a deliverable is based on its vendor specific objective evidence if available or third-party evidence if vendor specific evidence is not available, or estimated selling price if neither vendor specific objective nor third party evidence is available.

The best estimate of selling price is established considering internal factors such as margin objectives, pricing practices and customer segment pricing strategies. Consideration is also given to market conditions such as competitor pricing strategies. In multiple-element arrangements, revenue is allocated to each separate unit of accounting using the relative selling price of each of the deliverables in the arrangement based on the aforementioned selling price hierarchy. If the arrangement contains more than one software deliverable, the arrangement consideration is allocated to each software deliverable based on their value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer specified return or refund privileges.

**2 Significant accounting policies (Cont'd)****p) Revenue recognition (Cont'd)***Multiple-element arrangements (Cont'd)*

Certain upfront non-recurring contract acquisition costs incurred in the initial phases of contracts are deferred and amortised usually on a straight-line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortised costs. If the unamortised costs exceed the undiscounted cash flow, a loss is recognised.

When revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor.

Several factors are considered to determine whether the Company is a principal or an agent, most notably whether the Company is a primary obligor the customer, has established its own pricing, and has inventory and credit risks.

The Company does not provide any volume discount nor any sales with right of returns.

**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.

**r) Employee benefits***Retirement benefit costs*

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.

**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.



**2 Significant accounting policies (Cont'd)****t) Leases**

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

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**).

**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.

**2 Significant accounting policies (Cont'd)****t) Leases (Cont'd)**

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.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss 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.

**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.

**2 Significant accounting policies (Cont'd)****w) Income tax (Cont'd)**

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 42** and **Page 43** to the financial statements.

The leasehold properties are located at 10 UBI Crescent, #04-48/49 Lobby C, Ubi Techpark, Singapore 408564.

As of the end of the financial year 2019, the directors of the Company had determined a leasehold property, unit #04-49 shall be held as investment property for foreseeable future due to the change in purpose. The property was revalued by the directors based on an Independent Property Valuer valuation in March 2019 at S\$950,000 and accordingly transferred it to investment property in 2019 (refer **Note 4** to the financial statements).

The valuation was based on as 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.

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 4 Investment property

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<i>At fair value</i>		
At beginning of year	950,000	-
Reclass from properties, plant and equipment	-	950,000
<b>At end of year</b>	<b>950,000</b>	<b>950,000</b>

Refer **Note 3** to the financial statements, for details of the property.

### 5 Investment in subsidiaries

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Unquoted equity shares, at cost	<b>14,204,352</b>	<b>14,204,452</b>

*Details of the subsidiaries: -*

<u>Name of subsidiaries</u>	<u>Country of incorporation and place of business</u>	<u>Principal activities</u>	<u>Percentage of equity held</u>		<u>Cost</u>	
			<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			%	%	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	12,034,445	12,034,445
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 Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 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	
			2020	2019	2020	2019
			%	%	S\$	S\$
FT Grid Pte. Ltd.	Singapore	Inactive	-	100	-	100
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
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
					<b>14,204,352</b>	<b>14,204,452</b>

(\*) 2 shares are held by certain officers of the subsidiary and 5 shares are held by a director of the Company on behalf of the Company (2019: 3 shares are held by certain officers of the subsidiary and 4 shares are held by a director of the Company on behalf of the Company).

(#) 10 shares are held by a commissioner of the subsidiary on behalf of the Company (2019: 10 shares are held by a commissioner of the subsidiary on behalf of the Company).

(+) 2 shares are held by certain directors on behalf of the Company (2019: 2 shares are held by certain directors on behalf of the Company).

### 6 Deferred tax assets

	2020	2019
	S\$	S\$
Provision for expenses	<b>25,027</b>	<b>7,045</b>

The movement in the deferred tax assets are as follows:

At beginning of year	7,045	25,531
Credit/(Debit) to profit or loss	16,601	(18,108)
Currency translation	1,381	(378)
At end of the year	<b>25,027</b>	<b>7,045</b>

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

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 7 Trade receivables

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Outside parties	2,266,596	674,395
Less: Allowance for doubtful debts		
- At beginning of the year	9,606	7,240
- Charge for the year	-	2,366
- At end of the year	9,606	9,606
	2,256,990	664,789
Accrued revenue	404,860	684,485
	<u>2,661,850</u>	<u>1,349,274</u>

The average credit period given to external customers' average 100 days (2019:100 days). No interest is charged on the trade receivables.

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Not past due	1,802,262	325,247
Past due 1 to 30 days	19,856	46,978
Past due 31 to 60 days	-	108,922
Past due more than 60 days (*)	434,872	183,642
	<u>2,256,990</u>	<u>664,789</u>

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 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 were not secured by any collateral or credit enhancement. The allowances were charged to profit or loss.

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
United States Dollar	<u>2,247,095</u>	<u>1,053,401</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 8 Other receivables

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Sundry receivables	7,063	2,251
Holding company	-	879,060
Subsidiaries:		
- Loan	3,945,050	3,192,449
- Interest accrued	52,879	6,845
- Other advance	-	179,934
Related companies:		
- Loan	908,274	273,175
- Interest accrued	8,877	512
- Other advance	389,718	421,337
Staff advances	15,209	32,080
Deposits	66,076	11,488
	<u>5,393,146</u>	<u>4,999,131</u>

The amount due from holding company, 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 2% per annum. The loan and advances to the subsidiaries and related companies are guaranteed by the holding company.

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Japanese Yen	75,489	18,032
United States Dollar	<u>3,124,177</u>	<u>1,816,167</u>

### 9 Contract asset

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Unbilled revenue	<u>6,311,354</u>	<u>1,381,509</u>

### 10 Cash at banks

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Japanese Yen	100,495	93,166
United States Dollar	<u>672,831</u>	<u>1,206,008</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 11 Share capital

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	No. of shares issued	S\$	No. of shares issued	S\$
<b>Ordinary shares issued and fully paid</b>				
Balance at beginning and end of year	<u>5,217,500</u>	<u>5,217,500</u>	<u>5,217,500</u>	<u>5,217,500</u>

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
At beginning of the year	492,173	341,048
Value of employees' service	5,387	156,590
Exercised/cancelled during the year	(53,495)	(5,465)
<b>At end of the year</b>	<u><b>444,065</b></u>	<u><b>492,173</b></u>

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Secured:</b>		
Non-current	27,086	-
Current	68,862	-
	<u><b>95,948</b></u>	<u><b>-</b></u>

The liability is at effective interest rate of 1.3% to 5.1% per annum.

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



# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 13 Lease liabilities (Cont'd)

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

	At beginning of year	Cash flows	Additions	Non-cash changes		At end of year
				Accretion of interest	Translation adjustment	
	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities	-	(50,918)	147,274	1,934	(2,342)	95,948

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

	2020	2019
	S\$	S\$
Japanese Yen	90,426	-

### 14 Trade payables and accruals

	2020	2019
	S\$	S\$
Trade payables:		
- Holding company	11,586,068	6,916,786
GST payable	121,572	15,423
Accrued expenses	1,454,558	1,859,033
	<u>13,162,198</u>	<u>8,791,242</u>

The average credit period received is 90 days (2019:90 days). No interest is charged on the trade payables.

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

	2020	2019
	S\$	S\$
Indonesian Rupiah	1,640	19,198
Japanese Yen	483,399	945,944
United States Dollar	879,435	315,839

### 15 Other payables

	2020	2019
	S\$	S\$
Sundry payables	23,363	65,315
Holding company	217,687	200,934
Related companies:		
- Loan	937,576	-
- Interest accrued	28,021	-
- Other advance	34,154	33,412
Consumption tax	50,767	42,514
	<u>1,291,568</u>	<u>342,175</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 15 Other payables (Cont'd)

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

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Australian Dollar	965,597	-
Japanese Yen	291,817	308,763
Thai Bhat	8,510	8,630

### 16 Contract liability

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Deferred revenue	635,221	309,965

### 17 Revenue

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Type of income:</b>		
Sale of license	1,422,975	13,141,493
Services income	10,684,577	10,791,834
Maintenance service	1,239,811	1,008,888
	<u>13,347,363</u>	<u>24,942,215</u>
<b>Timing of revenue recognition:</b>		
At a point in time	1,510,290	13,000,000
Over time	<u>11,837,073</u>	<u>11,942,215</u>

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

### 18 Other income

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Foreign exchange gain	152,405	-
Interest income from loans:		
- Subsidiary	83,287	11,961
- Related companies	8,755	2,158
Miscellaneous income	1,822	-
Rental income	49,275	51,973
	<u>295,544</u>	<u>66,092</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 19 Cost of services

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Consultancy charges	4,675,727	13,144,254
Software license	360,615	328,026
	<u>5,036,342</u>	<u>13,472,280</u>

### 20 Salaries and employee benefits

Salaries and employee benefits for the financial years ended;

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Salaries and wages	5,581,084	7,053,729
CPF contribution (defined)	111,552	78,717
Director's remuneration	204,630	198,731
CPF on director's remuneration (defined)	10,320	12,463
Insurance	112,670	70,471
Share based compensation	5,387	156,590
Staff training and welfare	394,064	483,443
Social security cost	265,472	282,328
	<u>6,685,179</u>	<u>8,336,472</u>
Less: Expenses recovered	-	(1,151,810)
	<u>6,685,179</u>	<u>7,184,662</u>

#### Compensation of directors and key management personnel

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Salaries and other employee benefits	214,950	211,194
Share based compensation	46,748	78,825

### 21 Finance costs

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Interest on loans from related companies	28,027	28,298
Interest on lease liabilities	1,934	-
	<u>29,961</u>	<u>28,298</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 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):-

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Allowance for doubtful debts - trade (outside parties)	-	2,366
Foreign exchange (gain)/loss	(58,640)	145,833
Professional charges	626,223	241,943
Transport and travelling	332,936	412,960
	<u>332,936</u>	<u>412,960</u>

### 23 Income tax expense

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Current year	109,772	122,140
Deferred tax (credit)/expense	(16,601)	18,108
Foreign withholding tax	118,134	51,344
	<u>211,305</u>	<u>191,592</u>

The income tax expense varied from the amount of income tax expense determined by applying the

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:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Profit before income tax</b>	<b><u>435,764</u></b>	<b><u>2,393,015</u></b>
Tax expense at tax rate (*)	90,137	524,062
Non-deductible items	44,777	37,204
Statutory stepped exemption	(17,425)	(9,271)
Deferred tax arising in the year not provided	546	(352,088)
Deferred tax effect of change in rate	11,298	-
Other deductions for branch	-	(56,739)
Foreign withholding tax	118,134	51,344
Withholding tax credit	(31,615)	(2,948)
Other items	(4,547)	28
<b>Income tax expense for the financial year</b>	<b><u>211,305</u></b>	<b><u>191,592</u></b>

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

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 23 Income tax expense (Cont'd)

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Differences in depreciation	<u>3,000</u>	<u>5,000</u>

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

### 24 Holding company, related companies and related parties' transactions

Some of the Company's transactions and arrangement are with holding company, related companies and related parties 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.

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

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Holding company</b>		
Income from software services	-	303,014
Software development fees paid	4,675,727	13,144,254
Expenses recovered	<u>-</u>	<u>1,151,810</u>
<b>Subsidiaries</b>		
Interest received	<u>83,287</u>	<u>11,961</u>
<b>Related companies</b>		
Interest received	8,755	902
Interest paid	<u>28,027</u>	<u>28,298</u>
<b>Related parties</b>		
Transaction with companies in which director has an interest		
- Professional fees	<u>232,624</u>	<u>941,420</u>

### 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:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Financial assets</b>		
Amortised cost:		
- Trade receivables	2,661,850	1,349,274
- Other receivables	5,393,146	4,999,131
- Cash at banks	847,308	1,361,872
<b>Total financial assets</b>	<u>8,902,304</u>	<u>7,710,277</u>

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

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

#### (a) Categories of financial instruments (Cont'd)

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Financial liabilities</b>		
Amortised cost:		
Trade payables and accruals (excluding GST)	13,040,626	8,775,819
Other payables (excluding Consumption tax)	1,240,801	299,661
Lease liabilities	95,948	-
<b>Total financial liabilities</b>	<b>14,377,375</b>	<b>9,075,480</b>

#### (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:

- (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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	S\$	S\$	S\$	S\$
<u>2020</u>				
<b>Non-financial assets:</b>				
Investment property	-	-	950,000	950,000
<u>2019</u>				
<b>Non-financial assets:</b>				
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.

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

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

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

##### Fair value hierarchy (Cont'd)

##### Assets and liabilities not measured at fair value (Cont'd)

#### (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).

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.

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
	S\$	S\$	S\$	S\$
<b>2020</b>				
<b>Financial assets</b>				
Trade receivables	2,661,850	2,661,850	2,661,850	-
Other receivables	5,393,146	5,393,146	5,393,146	-
Cash at banks	847,308	847,308	847,308	-
Total undiscounted financial assets	8,902,304	8,902,304	8,902,304	-

# Intellect Design Arena Pte. Ltd.

## Notes to the Financial Statements

For the financial year ended March 31, 2020

### 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\$
<b>2020</b>				
<b>Financial liabilities</b>				
Trade payables and accruals	(13,040,626)	(13,040,626)	(13,040,626)	-
Other payables	(1,240,801)	(1,240,801)	(1,240,801)	-
Lease liabilities	(95,948)	(97,089)	(70,312)	(26,777)
Total undiscounted financial liabilities	(14,377,375)	(14,378,516)	(14,351,739)	(26,777)
<b>Total net undiscounted financial liabilities</b>		(5,475,071)	(5,476,212)	(5,449,435)
				(26,777)
<b>2019</b>				
<b>Financial assets</b>				
Trade receivables	1,349,274	1,349,274	1,349,274	-
Other receivables	4,999,131	4,999,131	4,999,131	-
Cash at banks	1,361,872	1,361,872	1,361,872	-
Total undiscounted financial assets	7,710,277	7,710,277	7,710,277	-
<b>Financial liabilities</b>				
Trade payables and accruals	(8,775,819)	(8,775,819)	(8,775,819)	-
Other payables	(299,661)	(299,661)	(299,661)	-
Total undiscounted financial liabilities	(9,075,480)	(9,075,480)	(9,075,480)	-
<b>Total net undiscounted financial liabilities</b>		(1,365,203)	(1,365,203)	(1,365,203)
				-

##### 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.



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

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. The management has estimated an allowance for credit loss based on the trade balances that are outstanding for more than 365 days (refer to **Note 7** to the financial statements).

The Company's trade receivables of outside parties comprise of a couple of customers' balances that comprise of 81% (2019: four customers' whose balance comprise 69%) of the Company's trade receivables and contract asset.

The Company also has significant exposure of credit risk in relation to its other receivables from its subsidiaries and a related company. A couple of subsidiaries (2019: three subsidiaries) and a related company's (2019: a related company) balance comprise 100% (2019: 98%) and 100% (2019: 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:

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

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

##### Foreign currency risk (Cont'd)

##### Foreign currency sensitivity analysis (Cont'd)

	2020	2019
	S\$	S\$
<i>Increase in the rate of the foreign currencies against Singapore Dollar will increase/(decrease) the profit before tax by:</i>		
Australian Dollar	(97,000)	-
Japanese Yen	(69,000)	(114,400)
United States Dollar	517,000	376,000

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.

##### 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 2019.

### 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/FRS 8	(Amendments) : Definition of Material	January 1, 2020
FRS 103	(Amendments) : Definition of a Business	January 1, 2020
FRS 109/FRS 39/ FRS 107	(Amendments) : Interest Rate Benchmark Reform	January 1, 2020

**26 New accounting standards and FRS interpretations (Cont'd)**

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 June 10, 2020.

## Intellect Design Arena Pte. Ltd.

### Schedule For Property, Plant And Equipment

<u>2020</u>	<u>Leasehold properties</u>	<u>Furniture &amp; fittings</u>	<u>Office equipment</u>	<u>Computers &amp; peripherals</u>	<u>Computer software</u>	<u>Renovation</u>	<u>Right-of-use assets</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Cost</b>								
At April 1, 2019	503,800	88,971	57,751	31,005	43,447	153,491	-	878,465
Additions	-	6,075	-	-	-	-	147,274	153,349
At March 31, 2020	503,800	95,046	57,751	31,005	43,447	153,491	147,274	1,031,814
<b>Depreciation</b>								
At April 1, 2019	152,792	81,293	53,029	20,209	43,177	153,491	-	503,991
Charge for the year	9,160	1,632	1,562	5,089	270	-	50,285	67,998
At March 31, 2020	161,952	82,925	54,591	25,298	43,447	153,491	50,285	571,989
<b>Net book value</b>								
At March 31, 2020	341,848	12,121	3,160	5,707	-	-	96,989	459,825

## Intellect Design Arena Pte. Ltd.

### Schedule For Property, Plant And Equipment

<u>2019</u>	<u>Leasehold properties</u>	<u>Furniture &amp; fittings</u>	<u>Office equipment</u>	<u>Computers &amp; peripherals</u>	<u>Computer software</u>	<u>Renovation</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Cost</b>							
At April 1, 2018	934,400	81,721	57,751	20,655	43,447	153,491	1,291,465
Additions	-	7,250	-	10,350	-	-	17,600
Revaluation adjustment Transferred to	519,400	-	-	-	-	-	519,400
investment property	(950,000)	-	-	-	-	-	(950,000)
At March 31, 2019	503,800	88,971	57,751	31,005	43,447	153,491	878,465
<b>Depreciation</b>							
At April 1, 2018	266,388	80,524	49,205	19,965	36,907	153,491	606,480
Charge for the year	16,989	769	3,824	244	6,270	-	28,096
Revaluation adjustment	(130,585)	-	-	-	-	-	(130,585)
At March 31, 2019	152,792	81,293	53,029	20,209	43,177	153,491	503,991
<b>Net book value</b>							
At March 31, 2019	351,008	7,678	4,722	10,796	270	-	374,474

*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*

# Intellect Design Arena Pte. Ltd.

## Detailed Income Statement

For the financial year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Revenue</b>		
Sale of license	1,422,975	13,141,493
Services income	10,684,577	10,791,834
Maintenance service	<u>1,239,811</u>	<u>1,008,888</u>
	<u>13,347,363</u>	<u>24,942,215</u>
<b>Other income</b>		
Foreign exchange gain	152,405	-
Interest income from loans:		
- Subsidiary	83,287	11,961
- Related companies	8,755	2,158
Miscellaneous income	1,822	-
Rental income	<u>49,275</u>	<u>51,973</u>
	<u>295,544</u>	<u>66,092</u>
<b>Cost of services</b>		
Consultancy charges	(4,675,727)	(13,144,254)
Software license	<u>(360,615)</u>	<u>(328,026)</u>
	<u>(5,036,342)</u>	<u>(13,472,280)</u>
<b>Salaries and employee benefits</b>		
Salaries and wages	(5,581,084)	(7,053,729)
CPF contribution (defined)	(111,552)	(78,717)
Director's remuneration	(204,630)	(198,731)
CPF on director's remuneration (defined)	(10,320)	(12,463)
Insurance	(112,670)	(70,471)
Share based compensation	(5,387)	(156,590)
Staff training and welfare	(394,064)	(483,443)
Social security cost	<u>(265,472)</u>	<u>(282,328)</u>
	<u>(6,685,179)</u>	<u>(8,336,472)</u>
Less: Expenses recovered	-	1,151,810
	<u>(6,685,179)</u>	<u>(7,184,662)</u>
<b>Depreciation of property, plant and equipment</b>	<u>(67,998)</u>	<u>(28,096)</u>
<b>Other operating expenses</b>		
Allowance for doubtful debts - trade (outside parties)	-	(2,366)
Bank charges	(18,787)	(15,687)
Books and periodicals	(482)	(1,769)
Business promotion	<u>(141,100)</u>	<u>(182,653)</u>

..... Cont'd

# Intellect Design Arena Pte. Ltd.

## Detailed Income Statement

For the financial year ended March 31, 2020

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<b>Other operating expenses (Cont'd)</b>		
Commission	-	(706,123)
Foreign exchange loss	(93,765)	(145,833)
General expenses	(2,929)	(5,544)
Membership and subscription	(152)	(7,069)
Office rent	(5,483)	(23,975)
Professional charges	(626,223)	(241,943)
Postage and courier	(5,133)	(3,982)
Printing and stationery	(3,398)	(4,836)
Rates and taxes	(65,619)	(22,621)
Repairs and maintenance	(33,488)	(22,368)
Recruitment expense	(18,840)	(41,790)
Telephone expenses	(31,187)	(53,457)
Transport and travelling	(332,936)	(412,960)
Utilities	(8,141)	(6,980)
	<u>(1,387,663)</u>	<u>(1,901,956)</u>
<b>Finance costs</b>		
Interest on loans from related companies	(28,027)	(28,298)
Interest on lease liabilities	(1,934)	-
	<u>(29,961)</u>	<u>(28,298)</u>
<b>Profit before income tax</b>	435,764	2,393,015
<b>Income tax expense:</b>		
- Current year	(109,772)	(122,140)
- Deferred tax expense/(credit)	16,601	(18,108)
- Foreign withholding tax	(118,134)	(51,344)
<b>Profit after income tax</b>	<u>224,459</u>	<u>2,201,423</u>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
- Surplus on revaluation of leasehold property	-	649,985
<b>Other comprehensive income for the year, net of tax</b>	<u>-</u>	<u>649,985</u>
<b>Total comprehensive income for the year</b>	<u>224,459</u>	<u>2,851,408</u>

Not Part Of Audited Financial Statements