



Fortis Healthcare International Pte. Limited
Registration Number: 201013314K

Annual Report
Year ended 31 March 2021

Directors' statement

We submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards; 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.

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

Directors

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

Loh Min Jiann	
Abdul Hani Bin Ibrahim	(Resigned on 15 February 2021)
Dilip Kadambi	(Appointed on 15 February 2021)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

	Holdings in the name of the directors, spouse and/or infant children	
	At beginning of the year	At end of the year
Ultimate holding company		
IHH Healthcare Berhad		
Share option scheme		
Loh Min Jiann	113,000	113,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during 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 by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

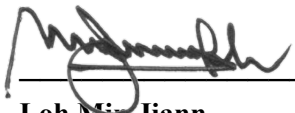
- (i) no options granted by the Company to any person to take up unissued ordinary shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

Auditors

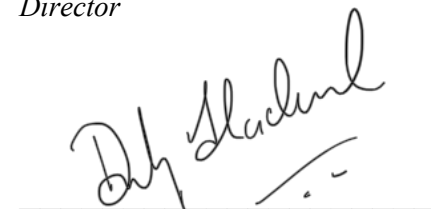
The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors



Loh Min Jiann

Director



Dilip Kadambi

Director

28 September 2021



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Independent auditors' report

Member of the Company
Fortis Healthcare International Pte. Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fortis Healthcare International Pte. Limited ('the Company'), which comprise the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS26.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

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

We have obtained the Directors' statement prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 September 2021

Statement of financial position
As at 31 March 2021

	Note	2021 \$	2020 \$
Non-current assets			
Property and equipment	4	–	–
Other receivables	5	–	890,000
Investment in subsidiaries	6	–	–
Investment in an associate	7	18,799,611	13,223,175
		18,799,611	14,113,175
Current assets			
Trade and other receivables	5	1,043,418	129,391
Cash and cash equivalents	8	464,346	601,411
		1,507,764	730,802
Total assets		20,307,375	14,843,977
Equity			
Share capital	9	234,215,987	234,215,987
Accumulated losses		(214,367,132)	(219,879,489)
Total equity		19,848,855	14,336,498
Current liabilities			
Other payables	10	458,520	507,479
Total liabilities		458,520	507,479
Total equity and liabilities		20,307,375	14,843,977

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

Statement of comprehensive income
Year ended 31 March 2021

	Note	2021 \$	2020 \$
Revenue	11	496	8,028
Other income	12	5,635,326	917,974
Employee benefits expense		(119,995)	(119,444)
Depreciation expense		–	(1,310)
Lease expense	16	(18,833)	(10,129)
Allowance for impairment loss made on trade and other receivables		–	(80,000)
Legal and other professional expenses		(120,783)	(73,826)
Finance costs		(13,049)	(12,993)
Other operating expenses	13	(36,165)	(8,149,770)
Foreign exchange gain/(loss)		21,997	(26,371)
Profit/(loss) before tax		<u>5,348,994</u>	<u>(7,547,841)</u>
Tax credit/(expense)	15	163,363	(135,640)
Profit/(loss) for the year	14	<u><u>5,512,357</u></u>	<u><u>(7,683,481)</u></u>

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

Statement of changes in equity
Year ended 31 March 2021

	Share capital \$	Accumulated losses \$	Total \$
At 1 April 2019	234,215,987	(212,196,008)	22,019,979
Total comprehensive income for the year			
Loss for the year, representing total comprehensive income for the year	–	(7,683,481)	(7,683,481)
At 31 March 2020	<u>234,215,987</u>	<u>(219,879,489)</u>	<u>14,336,498</u>
At 1 April 2020	234,215,987	(219,879,489)	14,336,498
Total comprehensive income for the year			
Profit for the year, representing total comprehensive income for the year	–	5,512,357	5,512,357
At 31 March 2021	<u>234,215,987</u>	<u>(214,367,132)</u>	<u>19,848,855</u>

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

Statement of cash flows
Year ended 31 March 2021

	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Profit/(loss) before tax		5,348,994	(7,547,841)
Adjustments for:			
Net unrealised foreign exchange (gain)/loss		(21,997)	26,371
Reversal of impairment loss on investment in an associate		(5,576,436)	–
Impairment loss on trade and other receivables		–	80,000
Bad debts written off		–	21,752
Impairment loss on investment in an associate		–	8,079,628
Gain on disposal of property and equipment		–	(16,294)
Depreciation expense		–	1,310
Dividend income		–	(860,711)
Interest income		(40,950)	(40,969)
Interest expense		13,049	12,993
		(277,340)	(243,761)
Changes in:			
Trade and other receivables		16,913	(25,483)
Other payables		(38,714)	184
Cash used in operations		(299,141)	(269,060)
Income tax refund/(paid)		163,363	(166,386)
Interest received		10	29
Net cash used in operating activities		(135,768)	(435,417)
Cash flows from investing activities			
Dividend received from an associate		–	795,223
Proceed from disposal of property and equipment		–	16,654
Loan to immediate holding company		–	(80,000)
Net cash from investing activities		–	731,877
Net (decrease)/increase in cash and cash equivalents		(135,768)	296,460
Cash and cash equivalents at beginning of the year		601,411	315,557
Effect of exchange rate changes on cash and cash equivalents		(1,297)	(10,606)
Cash and cash equivalents at end of the year	8	464,346	601,411

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 September 2021.

1 Domicile and activities

Fortis Healthcare International Pte. Limited is incorporated in Singapore with its registered office at 120 Robinson Road, #08-01 Singapore 068913, and its principal place of business at 302 Orchard Road, #07-03 Tong Building, Singapore 238862.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries and associate are described in Notes 6 and 7 to the financial statements.

The Company is a wholly-owned subsidiary of Fortis Asia Healthcare Pte. Ltd., a company incorporated in Singapore. The intermediate holding company is Fortis Healthcare Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange of India Ltd. The ultimate holding company is IHH Healthcare Berhad, a company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited. Related companies in these financial statements refer to members of the intermediate holding company's group of companies.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following note:

- Note 5 – measurement of expected credit loss (“ECL”) allowance for trade and other receivables
- Note 6 – determination of recoverable amount of investment in subsidiaries
- Note 7 – determination of recoverable amount of investment in an associate

Measurement of fair values

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Changes in accounting policies

The Company has applied the following FRSs, amendments to and interpretations of FRSs for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)

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

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Foreign currency

(i) Foreign currency transactions

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

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

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

Financial assets at amortised cost

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

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

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

(iii) Derecognition

Financial assets

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at banks.

(vi) Share capital

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

3.3 Property and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

The gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

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

Depreciation

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

Depreciation is recognised in the profit or loss on a straight-line basis to write down the cost of property and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property and equipment.

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

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

Leasehold improvement	-	5 years
Furniture and fittings	-	3 years
Computers and office equipment	-	3 years

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

3.4 Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Company changes its assessment of whether it will exercise a purchase, extension of termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

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

3.5 Impairment

(i) Non-derivative financial assets

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

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

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

Simplified approach

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

General approach

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

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

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

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

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

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

Write-off

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

(ii) Non-financial assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss.

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

3.6 Subsidiaries

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

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.7 Associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in an associate is stated in the Company's statement of financial position at cost less any accumulated impairment losses.

3.8 Provisions

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

3.9 Revenue recognition

Revenue from rendering of consultation services to related companies in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. Revenue is recognised at a point in time, upon the satisfaction of the PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. It is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods or services.

3.10 Other income

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment is established.

3.11 Employee benefits

Defined contribution plans

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

3.12 Government grant

Government grant related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.13 Finance costs

The Company's finance costs include interest expense and foreign currency losses on financial assets and financial liabilities. Interest expense is recognised using the effective interest method.

3.14 Tax

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

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

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

3.15 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The Company is assessing the impact of the new FRSs, interpretations and amendments to FRSs with no plans for early adoption.

4 Property and equipment

	Computer and office equipment \$
Cost	
At 1 April 2019	108,040
Disposal	(1,080)
At 31 March 2020 and 31 March 2021	106,960
Accumulated depreciation	
At 1 April 2019	106,370
Depreciation charge for the year	1,310
Disposals	(720)
At 31 March 2020 and 31 March 2021	106,960
Carrying amounts	
At 1 April 2019	1,670
At 31 March 2020	–
At 31 March 2021	–

5 Trade and other receivables

	2021 \$	2020 \$
Current		
Trade receivables	166,775	176,387
Less: Allowance for doubtful debts	(166,775)	(176,387)
	–	–
Other receivables		
- Third parties	3,897	20,810
- Amount due from a former director	60,000	60,000
- Related companies	1,039,521	108,581
- Immediate holding company	38,277,298	13,247,299
Less: Allowance for doubtful debts	(38,337,298)	(13,307,299)
	1,043,418	129,391
	1,043,418	129,391
Non-current		
Other receivables		
- Related companies	–	890,000
- Immediate holding company	–	25,030,000
Less: Allowance for doubtful debts	–	(25,030,000)
	–	890,000

The average credit period is 30 days (2020: 30 days). No interest is charged on the outstanding trade receivables.

During the year, the Company entered into a supplementary agreement with the immediate holding company to revise interest rate per annum from 4.6% to 0%. The loan due from immediate holding company to the extent of \$25,030,000 (2020: \$25,030,000) is unsecured, interest-free (2020: bears interest at 4.6%) and repayable on 31 March 2022. In previous years, interest is recognised on a receipt basis due to uncertainty over collectability. The loan amount of \$25,030,000 and related interest of \$13,247,299 were fully provided.

The loan due from related companies to the extent of \$890,000 (2020: \$890,000) is unsecured, bears interest at 4.6% (2020: 4.6%) per annum and repayable on 31 March 2022.

6 Investment in subsidiaries

	2021	2020
	\$	\$
Unquoted equity shares, at cost	13,797,537	13,797,537
Less: Allowance of impairment loss	(13,797,537)	(13,797,537)
	—	—

Details of the Company's subsidiaries at year end are as follows:

Name of subsidiaries	Country of incorporation and operations	Principal activity	Proportion of ownership interest	
			2021 %	2020 %
Mena Healthcare Investment Company Limited	British Virgin Islands	Investment holding (Dormant)	82.54	82.54
<i>Held through Mena Healthcare Investment Company Limited</i>				
Medical Management Company Limited	British Virgin Islands	Operation of an assessment clinic (Dormant)	82.54	82.54

The financial statements of the subsidiaries have not been consolidated with these financial statements as the Company is itself a wholly-owned subsidiary of another company. Consolidated financial statements are publicly available and are prepared by the Company's intermediate holding company, Fortis Healthcare Limited, a company incorporated in India, listed on Bombay Stock Exchange and National Stock Exchange of India Ltd with registered office at Fortis Hospital, Sector 62, Phase-VIII, Mohali, 160062 India.

7 Investment in an associate

	2021	2020
	\$	\$
Equity shares, at cost	48,866,535	48,866,535
Less: Allowance for impairment loss	(30,066,924)	(35,643,360)
Carrying value	18,799,611	13,223,175

The movement in allowance for impairment of investment in associate during the year was as follows:

	2021	2020
	\$	\$
At 1 April	35,643,360	27,563,732
Allowance for impairment loss	–	8,079,628
Reversal of impairment loss	<u>(5,576,436)</u>	–
At 31 March	<u>30,066,924</u>	<u>35,643,360</u>

During the year, management assessed whether there was any indication that the impairment loss recognised last financial year no longer exist or may have decreased. Based on the assessment, management determined that such indicator exists and estimated the recoverable amount of its investment in Lanka Hospital Corporation PLC based on published March 2021 price quotation. The recoverable amount was \$18,799,611. Accordingly, a reversal of impairment loss of \$5,576,436 was recognised. The fair value measurement is categorised as level 1 in the fair value hierarchy.

In 2020, the decline in the foreign exchange rate between the Singapore dollar and the Sri Lanka rupee and the decrease in quoted market price resulted in management performing an impairment assessment of its investment in Lanka Hospital Corporation PLC. An impairment loss of \$8,079,628 was recognised in prior year to write down the said cost of investment to its recoverable amount based on the published March 2020 price quotation. The fair value measurement is categorised as level 1 in the fair value hierarchy.

Details of the Company's investment are as follows:

Name of associate	Country of incorporation and operations	Principal activity	Proportion of ownership interest	
			2021	2020
			%	%
Lanka Hospitals Corporation PLC	Sri Lanka	Premium healthcare delivery provider in Sri Lanka	28.66	28.66

The financial statements of the associate has not been equity accounted as the Company is itself a wholly-owned subsidiary of another company. Consolidated financial statements are publicly available and are prepared by the Company's intermediate holding company, Fortis Healthcare Limited, a company incorporated in India, listed on Bombay Stock Exchange and National Stock Exchange of India Ltd with registered office at Fortis Hospital, Sector 62, Phase-VIII, Mohali, 160062 India.

8 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	2,727	2,727
Cash at banks	<u>461,619</u>	<u>598,684</u>
	<u>464,346</u>	<u>601,411</u>

9 Share capital

	No. of shares			
	2021	2020	2021	2020
			\$	\$
Issued and fully paid:				
At 1 April and 31 March	233,191,000	233,191,000	234,215,987	234,215,987

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time and are entitled to one vote per share at meetings of the Company. All ordinary shares carry one vote per share without restrictions. All shares rank equally with regard to the Company's residual assets.

10 Other payables

	2021	2020
	\$	\$
Related companies	61,759	118,318
Third parties	350,257	357,091
Accruals	46,504	32,070
	<u>458,520</u>	<u>507,479</u>

Loan payable to third parties amounting to \$212,980 (2020: \$225,255) is unsecured, bears interest at 6% (2020: 6%) per annum and repayable on demand.

11 Revenue

The Company provides consultation services to related companies. Revenue from services is recognised upon the completion of services performed. Payment is due within 30 days after the services have been provided to the related companies.

12 Other income

	2021	2020
	\$	\$
Interest income:		
- Related company	40,940	40,940
- Others	10	29
Dividend income	–	860,711
Gain on disposal of property and equipment	–	16,294
Government grants	17,940	–
Reversal of impairment loss on investment in an associate	5,576,436	–
	<u>5,635,326</u>	<u>917,974</u>

13 Other operating expenses

	2021	2020
	\$	\$
Impairment loss on investment in an associate	–	8,079,628
Bad debts written off	–	21,752
Repair and maintenance	–	150
Internet expense	16,305	18,524
Others	19,860	29,716
	36,165	8,149,770
	36,165	8,149,770

14 Profit/(loss) for the year

The following items of expense have been included in arriving at profit/(loss) for the year:

	2021	2020
	\$	\$
Employee benefits expense	107,616	105,798
Government grants	(17,940)	–
Cost of defined contribution plans included in employee benefits expense	12,379	13,646
Foreign exchange (gain)/loss, net	(21,997)	26,371
	100,058	145,815
	100,058	145,815

The Company received government grants of \$17,940 relating to a wage subsidy programme introduced in Singapore in response to the COVID-19 coronavirus pandemic. The grant was recognised in the statement of comprehensive income in ‘other income’ as the related wages and salaries were recognised.

15 Tax expense

	2021	2020
	\$	\$
Current tax expense		
Current year	–	–
(Over)/under provision in respect of previous year	(163,363)	70,152
Withholding tax	–	65,488
	(163,363)	135,640
	(163,363)	135,640

Reconciliation of effective tax rate

Profit/(loss) before tax	5,348,994	(7,547,841)
Tax expense at statutory tax rate of 17% (2020: 17%)	909,329	(1,283,133)
Expenses not deductible in determining taxable profit	35,844	1,384,016
Income not subject to taxation	(945,173)	(100,883)
Under provision in prior year	(163,363)	70,152
Withholding tax	–	65,488
	(163,363)	135,640
	(163,363)	135,640

16 Related company transactions

The Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, expected to be settled in cash unless stated otherwise.

Significant transactions with related companies are as follows:

	2021	2020
	\$	\$
Associate		
Dividend income	–	860,711
Related companies		
Interest income	40,940	40,940
Sale of property, plant and equipment	–	10,000

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibilities for planning, directing and controlling the activities of the Company. The directors of the Company are considered as key management personnel of the Company.

None of the directors earned any directors' fees or other remuneration in respect of their appointments as directors of the Company during the current year. The directors are not paid directly by the Company but receive remuneration from the Company's ultimate holding company, in respect of their services to the larger group which includes the Company. No apportionment has been made as the services provided by these directors to the Company are incidental to their responsibilities to the larger group.

17 Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties to mitigate its credit risk.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Company has significant concentration risk as 99.6% (2020: 98.0%) of its trade and other receivables were due from related companies.,

Expected credit loss assessment for customers

The Company uses an allowance matrix to measure the ECLs of trade receivables.

The allowance matrix is based on actual credit loss experience over the past three years. The ECL computed is purely derived from historical data which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

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

	Gross carrying amount \$	Impairment loss allowance \$	Credit impaired
2021			
Past due more than 90 days	<u>166,775</u>	<u>(166,775)</u>	Yes
2020			
Past due more than 90 days	<u>176,387</u>	<u>(176,387)</u>	Yes

Movements in allowance for impairment in respect of trade receivables

	\$
At 1 April 2019	169,498
Effect of movements in exchange rate	<u>6,889</u>
At 31 March 2020	176,387
Effect of movements in exchange rate	<u>(9,612)</u>
At 31 March 2021	<u>166,775</u>

Other receivables

Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Cash and cash equivalents

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

Market risk

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

Foreign currency risk

The Company transacts in various foreign currencies, including the United States Dollars (USD), and Sri Lankan Rupee (SLR) and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than Singapore dollar (functional currency) are as follows:

	Assets		Liabilities	
	2021	2020	2021	2020
	\$	\$	\$	\$
United States Dollar	11,536	13,020	411,994	422,241
Sri Lankan Rupee	7,168	14,478	–	–

Sensitivity analysis

A 5% strengthening of the SGD against the relevant foreign currencies at the reporting date would increase profit before tax by the amount shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2021	2020
	\$	\$
United States Dollar	20,023	20,461
Sri Lankan Rupee	(358)	(724)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instrument will fluctuate because of changes in market interest rates.

At the end of the reporting period, the Company's loan payable to third parties are subject to fixed interest rate therefore the management is of the view that the impact of changes in interest rate may not be significant to the Company.

Accordingly, no sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the year.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

The expected contractual undiscounted cash outflows of other payables are expected to occur within one year and are equivalent to their carrying amounts.

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and financial liabilities are shown in table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Financial assets at amortised cost \$	Other financial liabilities \$	Total \$
31 March 2021				
Financial assets not measured at fair value				
Trade and other receivables	5	1,043,418	–	1,043,418
Cash and cash equivalents	8	464,346	–	464,346
		<u>1,507,764</u>	<u>–</u>	<u>1,507,764</u>
Financial liabilities not measured at fair value				
Other payables	10	–	(458,520)	(458,520)
31 March 2020				
Financial assets not measured at fair value				
Trade and other receivables	5	1,019,391	–	1,019,391
Cash and cash equivalents	8	601,411	–	601,411
		<u>1,620,802</u>	<u>–</u>	<u>1,620,802</u>
Financial liabilities not measured at fair value				
Other payables	10	–	(507,479)	(507,479)

Capital management

The Company defines 'capital' to be the share capital net of accumulated losses.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an efficient capital structure so as to maximise shareholder's value.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

18 Leases

The Company leases an office premise, storage and office equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Amounts recognised in profit or loss

	2021	2020
	\$	\$
Expenses relating to short-term leases	18,371	9,900
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	462	284
	<u>462</u>	<u>284</u>