

GMR AIRPORTS (SINGAPORE) PTE. LTD.

Company Registration No. 201924150R

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

GMR Airports (Singapore) Pte. Ltd.

General Information

Directors

Puvan Sripathy
Vivek Singhal

Company Secretary

Sinha Mithilesh Kumar

Registered Office

33A Chander Road
Singapore 219539

Auditor

CA.sg PAC

Principal Bankers

AfrAsia Bank Limited
ICICI Bank Limited
Union Bank Ltd

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GMR Airports (Singapore) Pte. Ltd.

Directors' Statement

For the year ended 31 December 2021

The directors present the statement to the member together with the audited financial statements of the company for the year ended 31 December 2021.

Opinion of the directors

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 31 December 2021 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, having regard to the financial support from its intermediate holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Directors

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

Puvan Sripathy
Vivek Singhal

Arrangements to enable directors to acquire shares or debentures

Neither at the end of the financial year nor at any time during that year did there subsist any arrangements to which the company was a party whereby the directors might acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

Directors' interests in shares or debentures

According to the register kept under Section 164 of the Singapore Companies Act, Chapter 50 the directors of the company who held office at the end of the financial year had an interest in the shares of the company or related corporations as follows :

	No. of shares registered in the name of director		No. of shares in which director is deemed to have an interest	
	As at 01.01.2021	As at 31.12.2021	As at 01.01.2021	As at 31.12.2021
Tummalapalli Srinivasa Subrahmanya Veerabhadra Lakshminarayana (Resigned on 31 March 2022)	20,000	20,000	120,000	120,000

GMR Airports (Singapore) Pte. Ltd.

Directors' statement (continued)
For the year ended 31 December 2021

Share options

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

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

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

Auditor

The auditor, CA.sg PAC, has expressed its willingness to accept reappointment.

For and on behalf of the Board

Puvan Sripathy

.....
Puvan Sripathy
Director

Vivek Singhal

.....
Vivek Singhal
Director

22 April 2022

INDEPENDENT AUDITOR’S REPORT
to the member of
GMR AIRPORTS (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of GMR Airports (Singapore) Pte. Ltd. (the “company”), which comprise the statement of financial position as at 31 December 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.

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 Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the financial position of the company as at 31 December 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors’ statement [set out on pages 1 to 2]. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT

to the member of

GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

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 FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

to the member of

GMR AIRPORTS (SINGAPORE) PTE. LTD. (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



CA.sg PAC
Public Accountants and
Chartered Accountants
Singapore

22 April 2022

GMR Airports (Singapore) Pte. Ltd.**Statement of Financial Position
as at 31 December 2021**

	Note	2021 US\$	2020 US\$
ASSETS AND LIABILITIES			
Non-Current Assets			
Property, plant and equipment	4	1,181,796	1,581,333
Other receivables	5	87,974	87,974
		<u>1,269,770</u>	<u>1,669,307</u>
Current Assets			
Other receivables	5	548,696	51,995
Cash and cash equivalents	6	1,654,121	323,157
		<u>2,202,817</u>	<u>375,152</u>
Total Assets		<u>3,472,587</u>	<u>2,044,459</u>
Current Liabilities			
Other payables	7	3,923,947	3,285,623
Lease liabilities	8	300,322	328,560
		<u>4,224,269</u>	<u>3,614,183</u>
Non-Current Liabilities			
Other payables	7	32,956	32,956
Lease liabilities	8	736,058	1,037,252
		<u>769,014</u>	<u>1,070,208</u>
Total Liabilities		<u>4,993,283</u>	<u>4,684,319</u>
Net Current Liabilities		<u>(2,021,452)</u>	<u>(3,239,031)</u>
Net Liabilities		<u>(1,520,696)</u>	<u>(2,639,932)</u>
EQUITY			
Share capital	9	430,000	430,000
Accumulated losses		<u>(1,950,696)</u>	<u>(3,069,932)</u>
Total Equity		<u>(1,520,696)</u>	<u>(2,639,932)</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.**Statement of Comprehensive Income
for the year ended 31 December 2021**

	Note	2021 US\$	2020 US\$
Revenue	10	4,986,979	-
Cost of sales		<u>-</u>	<u>-</u>
Gross profit		4,986,979	-
Other operating income	11	545	37,927
Administrative expenses	12	(3,843,466)	(2,548,836)
Finance costs	13	<u>(24,822)</u>	<u>(30,263)</u>
Profit/(Loss) before income tax expense	14	1,119,236	(2,541,172)
Income tax expense	15	<u>-</u>	<u>-</u>
Net profit/(loss) for the year		1,119,236	(2,541,172)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive profit/(loss) for the year		<u><u>1,119,236</u></u>	<u><u>(2,541,172)</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Note	Share capital US\$	Accumulated losses US\$	Total US\$
At 1 January 2020	9	430,000	(528,760)	(98,760)
Total comprehensive loss for the year		<u>-</u>	<u>(2,541,172)</u>	<u>(2,541,172)</u>
At 31 December 2020		430,000	(3,069,932)	(2,639,932)
Total comprehensive income for the year		<u>-</u>	<u>1,119,236</u>	<u>1,119,236</u>
At 31 December 2021		<u>430,000</u>	<u>(1,950,696)</u>	<u>(1,520,696)</u>

The annexed notes form an integral part of and should be
read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.**Statement of Cash Flows
for the year ended 31 December 2021**

	2021 US\$	2020 US\$
Cash flows from operating activities		
Profit/(Loss) before income tax	1,119,236	(2,541,172)
Adjustments for:-		
Depreciation expense	404,301	377,018
Interest income	(205)	(196)
Interest expense	24,822	30,263
Rent concession	-	(23,666)
Operating profit/(loss) before working capital changes	1,548,154	(2,157,753)
(Increase)/Decrease in other receivables	(128,082)	36,953
Increase in other payables	138,324	58,491
Cash generated from/(used in) operations	1,558,396	(2,062,309)
Interest received	205	196
Interest paid	(24,822)	(30,263)
Net cash generated from/(used in) operating activities	1,533,779	(2,092,376)
Cash flows from investing activity		
Acquisition of property, plant and equipment	(4,764)	(366,687)
Net cash used in investing activity	(4,764)	(366,687)
Cash flows from financing activities		
Decrease in amount owing to related party	-	(250,000)
Payment of principal portion of lease liabilities	(329,432)	(208,252)
Increase in amount owing to immediate holding company	500,000	3,190,000
Increase in amount owing by intermediate holding company	(368,619)	-
Net cash (used in)/generated from financing activities	(198,051)	2,731,748
Net increase in cash and cash equivalents	1,330,964	272,685
Cash and cash equivalents at beginning of the year	323,157	50,472
Cash and cash equivalents at end of the year	1,654,121	323,157

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2021

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

1. Corporate information

The company (company registration no. 202024150R) is a limited liability company which is incorporated in the Republic of Singapore with the registered office at 33A Chander Road Singapore 219539 and the principal place of business at 135 Cecil Street, #14-01 MYP Plaza, Singapore 069536.

The principal activities of the company are those of infrastructure engineering design and consultancy services.

The immediate holding company is GMR Airports International B.V., a company incorporated in Netherlands, which owns 100% of the issued ordinary share capital of the company. The ultimate holding company is GMR Enterprises Private Limited, a company incorporated in India. Related companies in these financial statements refer to companies within the GMR Enterprises Private Limited group of companies.

2. Summary of significant accounting policies

2.1 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies, and the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards (“FRS”).

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

As of 31 December 2021, the company’s current liabilities exceed its current assets by US\$2,021,452 and there was a deficit in shareholder’s funds of US\$1,520,696. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. However, the financial statements are prepared on the going concern basis as the intermediate holding company has given an undertaking to provide continual financial support to the company to enable it to continue as a going concern and meet its liabilities as and when they fall due.

The financial statements are presented in United States Dollars (“US\$”) and all values are presented to the nearest dollar except where indicated otherwise.

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and amended standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the company.

2.3 Financial assets

(a) Classification and measurement

The company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. Summary of significant accounting policies (continued)

2.3 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the company's business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost** - Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI** - Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL** - Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the year in which it arises and presented in "other gains and losses".

2. Summary of significant accounting policies (continued)

2.3 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(ii) Equity investments

The company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the year in which the changes arise and presented in “other gains and losses”, except for those equity securities which are not held for trading. The company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains / losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(b) Impairment

The company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Summary of significant accounting policies (continued)

2.4 Property, plant and other equipment

All items of property plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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, and includes the costs of dismantlement, removal or restoration, the obligation for which the company incurs as a consequence of installing the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the statement of comprehensive income.

Depreciation is calculated on the straight line basis so as to write off the cost of the assets over their estimated useful lives as follows:-

Computers and software	3 years
Office premise	Over the lease period of 5 years
Office equipment	3 years
Furnitures and fixtures	5 years
Leasehold improvement	5 years
Motor vehicle	Over the lease period of 1.58 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. The effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of comprehensive income in the period when the asset is derecognised. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (continued)

2.5 Impairment of non-financial assets

The carrying amounts of the company's assets are reviewed at the date of each statement of financial position to determine whether there is any objective evidence that a financial asset is impaired. If such indication exists, the assets' recoverable amount is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the management estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income unless it reverses a previous revaluation, credited to equity, in which case it will be charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of comprehensive income, unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

2. Summary of significant accounting policies (continued)

2.6 Financial liabilities (continued)

Derecognition

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

2.7 Other payables

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

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

2.8 Provisions

Provisions are recognised when :-

- (i) the company has a present obligation (legal or constructive) as a result of past events;
- (ii) it is probable that an outflow of resources will be required to settle the obligation;
and
- (iii) a reliable estimate can be made of the amount of the obligation.

2.9 Leases

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

(a) 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.

2. Summary of significant accounting policies (continued)

2.9 Leases (continued)

(a) As lessee (continued)

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 2.5.

The company's right-of-use assets are presented within property, plant and equipment (Note 4).

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.

2. Summary of significant accounting policies (continued)

2.9 Leases (continued)

(a) As lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are disclosed separately (Note 8).

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of office space (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). 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.

2.10 Deferred taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on the tax rates enacted or substantively enacted at the date of the statement of financial position.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

2. Summary of significant accounting policies (continued)

2.11 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.

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.

(i) Service income

Revenue from the provision of consultancy services is recognised when the services are rendered.

2.12 Government grants

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

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

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

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity.

2. Summary of significant accounting policies (continued)

2.14 Foreign currency

(i) Functional currency

Items included in the financial statements of the company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the company (“functional currency”). The financial statements are presented in United States Dollars, which is also the functional currency of the company.

(ii) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the date of the statement of financial position are recognised in the statement of comprehensive income.

2.15 Employee benefits

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (“CPF”). CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

2.16 Income tax

Income tax expense represents the sum of the 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 statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the date of the statement of financial position.

2. Summary of significant accounting policies (continued)

2.17 Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.18 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. In considering each possible related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

Related parties include the key management personnel, associates and enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by the shareholders or key management personnel.

3. Significant accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRSs requires management to make estimates, assumptions and judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Significant accounting estimates and assumptions

Useful lives of property, plant and equipment

The cost of property, plant and equipment for the company's operations is depreciated on a straight-line basis over the useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment to be within 1.58 to 5 years. These are common life expectancies applied in the industry. Changes in the expected levels of usage could impact the economic useful lives and the residual value of these assets and accordingly, future depreciation charges could be revised. The carrying values of the company's property, plant and equipment are as disclosed in note 4.

Impairment of non-financial assets

The company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management will estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. Significant accounting estimates, assumptions and judgements (continued)

3.1 Significant accounting estimates and assumptions (continued)

Income taxes

Significant judgement and assumptions are involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Critical judgements in applying the entity's accounting policies

The following are the judgements made by management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed for impairment when there are indications of impairment. As at the date of the statement of financial position, there is no indication of impairment and the carrying value of the company's property, plant and equipment is as disclosed in note 4.

Determination of lease term of contracts with extension options

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has a lease contract that include extension options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the company reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

As at 31 December 2021, potential future (undiscounted) cash outflows of approximately US\$1,008,117 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

3. Significant accounting estimates, assumptions and judgements (continued)

3.2 Critical judgements in applying the entity's accounting policies (continued)

Leases – estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2021

4. Property, plant and equipment

	Computers and software US\$	Office premise US\$	Office equipment US\$	Furniture and fittings US\$	Leasehold improvement US\$	Motor vehicle US\$	Total US\$
Cost							
At 1 January 2020	2,432	1,583,271	-	-	-	-	1,585,703
Additions	3,237	-	32,000	103,250	228,200	43,382	410,069
At 31 December 2020	5,669	1,583,271	32,000	103,250	228,200	43,382	1,995,772
Additions	2,117	-	-	2,647	-	-	4,764
At 31 December 2021	7,786	1,583,271	32,000	105,897	228,200	43,382	2,000,536
Accumulated Depreciation							
At 1 January 2020	313	37,108	-	-	-	-	37,421
Depreciation charge	1,764	296,863	7,041	18,670	41,264	11,416	377,018
At 31 December 2020	2,077	333,971	7,041	18,670	41,264	11,416	414,439
Depreciation charge	2,573	296,863	10,667	21,159	45,640	27,399	404,301
At 31 December 2021	4,650	630,834	17,708	39,829	86,904	38,815	818,740
Net Carrying Value							
At 31 December 2021	3,136	952,437	14,292	66,068	141,296	4,567	1,181,796
At 31 December 2020	3,592	1,249,300	24,959	84,580	186,936	31,966	1,581,333

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****4. Property, plant and equipment (continued)**

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

Additions to property, plant and equipment are acquired by way of :-

	2021 US\$	2020 US\$
Cash	4,764	366,687
Lease liabilities	-	43,382
	<u>4,764</u>	<u>410,069</u>

5. Other receivables

	2021 US\$	2020 US\$
Non-current		
Deposit	<u>87,974</u>	<u>87,974</u>
Current		
Deposits	8,334	147
Prepayment	47,521	-
Amount due from a director	7,323	38,761
Amount due from intermediate holding company	368,619	-
Advances to staff	12,407	13,087
Other receivables	<u>104,492</u>	<u>-</u>
	<u>548,696</u>	<u>51,995</u>
	<u>636,670</u>	<u>139,969</u>

Non-current deposit comprises the security deposit paid in relation to the lease of office premise. The deposit is refundable at the end of the lease term.

The amount due from a director comprises advances to the director. It is unsecured, non-interest bearing and fully repaid subsequent to the end of the financial year.

The amount due from intermediate holding company and advances to staff are unsecured, non-interest bearing and repayable on demand.

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****5. Other receivables (continued)**

Other receivables are denominated in the following currencies :-

	2021	2020
	US\$	US\$
Singapore Dollars	155,373	139,969
United States Dollars	473,110	-
United Arab Emirates Dirham	8,187	-
	<u>636,670</u>	<u>139,969</u>

6. Cash and cash equivalents

Cash and cash equivalents are denominated in the following currencies :-

	2021	2020
	US\$	US\$
Euro	12,318	-
Singapore Dollars	64,691	48,705
United States Dollars	1,327,213	8,703
Philippine Peso	249,899	265,749
	<u>1,654,121</u>	<u>323,157</u>

7. Other payables

	2021	2020
	US\$	US\$
Non-current		
Provision for reinstatement costs	<u>32,956</u>	<u>32,956</u>
Current		
Accrued expenses	96,662	29,401
Amount owing to immediate holding company	3,690,000	3,190,000
Other payables	<u>137,285</u>	<u>66,222</u>
	<u>3,923,947</u>	<u>3,285,623</u>
	<u>3,956,903</u>	<u>3,318,579</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****7. Other payables (continued)**

Other payables are denominated in the following currencies :-

	2021 US\$	2020 US\$
Singapore Dollars	110,737	103,506
United States Dollars	<u>3,846,166</u>	<u>3,215,073</u>
	<u>3,956,903</u>	<u>3,318,579</u>

The amount owing to immediate holding company is an advance intended for an increase in the share capital of the company. This amount is unsecured, non-interest bearing and repayable on demand.

8. Lease liabilities

	2021 US\$	2020 US\$
Current:		
- Lease liabilities (Note 17)	<u>300,322</u>	<u>328,560</u>
Non-current:		
- Lease liabilities (Note 17)	<u>736,058</u>	<u>1,037,252</u>
	<u>1,036,380</u>	<u>1,365,812</u>

The lease liabilities are denominated in Singapore Dollars. The movements of lease liabilities are as follows:

	2021 US\$	2020 US\$
Balance at beginning of the year	1,365,812	1,554,348
Addition	-	43,382
Accretion of interest	24,822	30,263
Lease payments – principal portion paid	(329,432)	(208,252)
Interest paid	(24,822)	(30,263)
Rent concession	<u>-</u>	<u>(23,666)</u>
Balance at end of the year	<u>1,036,380</u>	<u>1,365,812</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021**

9. Share capital

	2021	2020
	US\$	US\$
Issued and fully paid :-		
430,000 ordinary shares	<u>430,000</u>	<u>430,000</u>

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

10. Revenue**(a) Disaggregation of revenue**

The company generates revenue only from the provision of consultancy services.

(b) Company's performance obligations**(i) Point of revenue recognition**

Revenue is recognised when the performance obligation is satisfied over time.

(ii) Significant payment terms

Invoices for services rendered are issued to the customers when the services are certified on milestone basis. Payment for these is due in 60 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

The company does not have a policy to give discounts to customer.

(c) Methods, inputs and assumptions in determining revenue

The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. The transaction price, which may be fixed or variable, is then allocated to each performance obligation in the contract on the basis of the relative stand-alone selling prices of the goods or services. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****10. Revenue (continued)****(c) Methods, inputs and assumptions in determining revenue (continued)**

Management exercises judgement in determining the estimated variable consideration and in applying the constraint on the estimated variable consideration that can be included in the transaction price. Based on historical experience with customers, the management has determined that the effect of variable consideration is insignificant.

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2021 may be recognised as revenue in the next reporting periods as follows:

	2022 US\$'000	2023 US\$'000	2024 US\$'000	2025 US\$'000	Total US\$'000
Partial unsatisfied performance obligation as at:					
31 December 2021	<u>2,777</u>	<u>4,555</u>	<u>2,277</u>	<u>1,518</u>	<u>11,127</u>

11. Other operating income

	2021 US\$	2020 US\$
Foreign exchange gain	-	14,065
Interest income	205	196
Office rental rebate	-	23,666
Other income	<u>340</u>	<u>-</u>
	<u>545</u>	<u>37,927</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****12. Administrative expenses**

Included in administrative expenses are employee benefits expense as follows :-

	2021	2020
	US\$	US\$
<u>Directors of the company</u>		
Directors' remuneration	2,071,830	1,038,028
Directors' CPF contributions	5,694	5,555
Directors' Skills development levy	301	261
	<u>2,077,825</u>	<u>1,043,844</u>
<u>Other staff of the company</u>		
Staff salaries and allowances	648,765	673,739
Staff CPF contributions	25,347	19,477
Staff Skills development levy	750	656
Medical expenses	4,166	408
Staff welfare	141,931	136,393
	<u>820,959</u>	<u>830,673</u>
	2,898,784	1,874,517
Less: Job Support Scheme (JSS) ⁽ⁱ⁾	<u>(34,242)</u>	<u>(58,552)</u>
	<u>2,864,542</u>	<u>1,815,965</u>

- (iii) The JSS grant was announced at the Budget 2020 (the "Unity Budget") in February 2020 for the purpose of providing wage support to employers to help companies retain their local employees (Singapore citizens and permanent residents) during the period of economic uncertainty arising from the COVID-19 situation.

Under the JSS, the Government co-funds between 25% to 75% of the first S\$4,600 of gross monthly wages paid to each local employee.

13. Finance costs

	2021	2020
	US\$	US\$
Interest expense on lease liabilities (Note 17)	<u>24,822</u>	<u>30,263</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****14. Profit/(Loss) before income tax expense**

Other than as disclosed elsewhere in the financial statements, this is arrived at after charging the following :-

	2021	2020
	US\$	US\$
Foreign exchange loss	44,116	-
Depreciation of property, plant and equipment	<u>404,301</u>	<u>377,018</u>

15. Income tax expense

A numerical reconciliation between the accounting profit/(loss) and tax expense is as follows :-

	2021	2020
	US\$	US\$
Accounting profit/(loss)	<u>1,119,236</u>	<u>(2,541,172)</u>
Tax at the applicable tax rate of 17%	190,270	(431,999)
Tax effect of :-		
- Income not subject to tax	(5,821)	(9,954)
- Expenses not deductible for tax purposes	33,379	24,741
- Tax deduction on renovation or refurbishment expenditure and contractual payment on right-of-use assets	(73,081)	(53,406)
- Other temporary differences	<u>68,731</u>	<u>64,093</u>
	213,478	(406,525)
(Utilisation of tax losses)/Unabsorbed tax losses carried forward	<u>(213,478)</u>	<u>406,525</u>
Current income tax expense	<u>-</u>	<u>-</u>

As at 31 December 2021, the company has estimated unabsorbed tax losses and unutilised capital allowances amounting to US\$1,717,000 (2020: US\$2,874,100) and NIL (2020: US\$50,500) respectively for which deferred tax benefits have not been recognised in the financial statements because it is uncertain that future taxable profit will be available against which the company can utilise the benefits. However, the unabsorbed tax losses and unutilised capital allowances are available for offsetting against future taxable income subject to there being no substantial change in shareholders as required by the provisions of the Singapore Income Tax Act.

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021****16. Related party transactions**

Related party transactions, on terms mutually agreed between the parties, are as follows:-

	2021 US\$	2020 US\$
Capital contribution by immediate holding company	500,000	3,190,000
Recoverable expenses from intermediate holding company	368,619	-
Repayment of salary advances from a director	(38,761)	-
Salary advances to a director	<u>7,323</u>	<u>38,761</u>

17. LeasesCompany as a lessee

The company has lease contracts for its office premise and motor vehicle. The company's obligations under these leases are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets. The lease contract includes extension options which are further discussed below.

The company also has lease of guest house with lease terms of 12 months or less. The company applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Office premise US\$	Motor Vehicle US\$	Total US\$
At 1 January 2020	1,546,163	-	1,546,163
Addition	-	43,382	43,382
Depreciation	<u>(296,863)</u>	<u>(11,416)</u>	<u>(308,279)</u>
At 31 December 2020	1,249,300	31,966	1,281,266
Depreciation	<u>(296,863)</u>	<u>(27,399)</u>	<u>(324,262)</u>
At 31 December 2021	<u>952,437</u>	<u>4,567</u>	<u>957,004</u>

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021**

17. Leases (continued)**(b) Lease liabilities**

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 8.

(c) Amounts recognised in profit or loss

	2021 US\$	2020 US\$
Depreciation of right-of-use assets	324,262	308,279
Interest expense on lease liabilities (Note 13)	24,822	30,263
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases (included in administrative and other expenses)	<u>250,735</u>	<u>23,333</u>
Total amount recognised in profit or loss	<u><u>599,819</u></u>	<u><u>361,875</u></u>

(d) Total cash outflow

The company had total cash outflows for leases of US\$604,989 (2020: US\$261,848).

(e) Extension options

The company's lease contract includes extension options. The option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the company's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.2).

18. Capital management

Capital comprises of share capital and reserves stated on the statement of financial position. The company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. The company manages capital by regularly monitoring its current and expected liquidity requirements as well as using debt/equity ratio analysis.

The company is not subject to either internally or externally imposed capital requirements.

GMR Airports (Singapore) Pte. Ltd.**Notes to the financial statements – 31 December 2021**

19. Financial instruments**19.1 Categories of financial instruments**

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

	2021	2020
	US\$	US\$
Financial assets		
Other receivables	589,149	139,969
Cash and cash equivalents	<u>1,654,121</u>	<u>323,157</u>
	<u><u>2,243,270</u></u>	<u><u>463,126</u></u>
Financial liabilities		
Other payables	3,956,903	3,318,579
Lease liabilities	<u>1,036,380</u>	<u>1,365,812</u>
	<u><u>4,993,283</u></u>	<u><u>4,684,391</u></u>

19.2 Risk management

The main risks arising from the company's financial instruments are credit risk, liquidity risk and price risk, primarily changes in foreign exchange rates and interest rates. The management monitors and controls its main risks in the following manner :-

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of other receivables and cash and cash equivalents.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was US\$2,146,962 as at year end, being the total carrying value of other receivables, balances with banks and other financial assets.

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2021

19. Financial instruments (continued)

19.2 Risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flows.

Financing is obtained from an intermediate holding company when the need arises.

(iii) Foreign exchange risk

Foreign exchange risk is the risk to earnings and value of financial instruments caused by fluctuation in foreign exchange rates. The company's exposure arises from transactions that are denominated in a currency other than the United States Dollars. The currency giving rise to this risk is primarily the Singapore Dollars. At the date of the statement of financial position, the company does not use derivative financial instruments to hedge its foreign exchange risk. The exchange rates are monitored regularly.

The company's exposure to foreign currency in the equivalent Singapore Dollars in respect of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Sensitivity analysis

The following demonstrates the sensitivity to a reasonably possible change in the Singapore Dollars against United States Dollars, with all other variables held constant, of the company's profit/(loss) before tax.

	Increase/(Decrease) in loss before tax	
	2021	2020
	US\$	US\$
Singapore Dollars		
- Strengthened by 10%	8,534	11,943
- Weakened by 10%	<u>(8,534)</u>	<u>(11,943)</u>

GMR Airports (Singapore) Pte. Ltd.

Notes to the financial statements – 31 December 2021

19. Financial instruments (continued)

19.2 Risk management (continued)

(iv) Interest rate risk

Interest rate risk relates primarily to the risk that the value of financial instruments will fluctuate as a result of changes to market interest rates. Surplus cash and cash equivalents are placed with and financing is obtained from established financial institutions at favourable interest rates and terms and conditions available to the company.

19.3 Fair values

Other receivables, other payables and cash and cash equivalents

The directors are of the view that the fair values of the other financial assets and liabilities as at the date of the statement of financial position approximate their carrying amounts as disclosed in the statement of financial position and in the notes to the financial statements due to the short period to maturity.

20. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the directors on 22 April 2022.

The annexed detailed income statement does not form part of the audited statutory financial statements. It is not necessary to file the detailed income statement with the Accounting and Corporate Regulatory Authority.

GMR Airports (Singapore) Pte. Ltd.

**Detailed Income Statement
for the year ended 31 December 2021**

	2021 US\$	2020 US\$
Revenue	4,986,979	-
Add:		
Other operating income		
Interest income	205	196
Office rental rebate	-	23,666
Other income	340	-
Foreign exchange gain	-	14,065
	<u>545</u>	<u>37,927</u>
	<u>4,987,524</u>	<u>37,927</u>
Less:		
Operating expenses		
Employee benefits expense	(2,864,542)	(1,815,965)
Administrative expenses	(978,924)	(732,871)
Finance costs	<u>(24,822)</u>	<u>(30,263)</u>
	<u>(3,868,288)</u>	<u>(2,579,099)</u>
Profit/(Loss) before income tax expense	<u><u>1,119,236</u></u>	<u><u>(2,541,172)</u></u>

GMR Airports (Singapore) Pte. Ltd.**Administrative and Operating Expenses
for the year ended 31 December 2021**

	2021 US\$	2020 US\$
Employee benefits expense		
CPF contributions	25,347	19,477
Directors' remuneration	2,071,830	1,038,028
Directors' CPF contributions	5,694	5,555
Directors' Skills development levy	301	261
Medical expenses	4,166	408
Skills development levy	750	656
Staff salaries and bonuses	614,523	615,187
Staff welfare	141,931	136,393
	<u>2,864,542</u>	<u>1,815,965</u>
Administrative expenses		
Audit fee	3,358	5,123
Bank charges	3,005	3,334
Bidding expense	7,585	3,148
Communication charges	23,655	23,715
Consultancy fees	94,844	108,844
Courier charges	773	150
Depreciation of property, plant and equipment	404,301	377,018
Electricity	2,890	2,460
Foreign exchange loss	44,116	-
GST	24,276	17,609
Insurance	572	544
Licences and fee	-	6,283
Repairs and maintenance	30,461	14,046
Membership fee	1,133	302
Office expenses	69,865	62,012
Printing and stationery	1,107	1,281
Rental	250,735	23,333
Travelling	16,248	83,669
	<u>978,924</u>	<u>732,871</u>
Finance costs		
Interest on lease liabilities	<u>24,822</u>	<u>30,263</u>
Total expenses	<u><u>3,868,288</u></u>	<u><u>2,579,099</u></u>