GENIUS GROUP LIMITED AND ITS SUBSIDIARIES
Company Registration No. 201541844C
(Incorporated in Singapore)

DIRECTORS' STATEMENT
AND FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 DECEMBER 2021

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

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The directors present their statement to the members together with the audited financial statements of Genius Group Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

1. Opinion of directors

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; 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.

2. Directors

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

Roger James Hamilton	
Sandra Lee Morrell	
Lim Kah Wui	
Gong Ling Jun Anna	
Patrick Ykin Grove	
Suraj Prakash Naik	
Timothy Murphy	(Appointed on 1 Oct 2022)
Richard Jay Berman	(Appointed on 9 Feb 2022)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, 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, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

	Direct interest		Deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
The Company				
Ordinary shares				
Roger James Hamilton	7,298,722	7,298,722	2,064,810	2,064,810
Sandra Morrell	593,334	593,334	183,324	183,324
Michelle Clarke	332,196	332,196	161,754	161,754
Suraj Prakash Naik	254,100	254,100	-	9,492
Lim Kah Wui	6,300	6,300	-	-
Gong Ling Jun Anna	6,000	6,000	-	-
Patrick Ykin Grove	6,000	6,000	-	-

4. Directors' interests in shares or debentures (Continued)

	Direct interest		Deemed interest	
	At beginning of the year	At end of the year	At beginning of the year	At end of the year
Share options				
Roger James Hamilton	-	-	28,310	28,310
Sandra Morrell	6,748	6,748	-	-
Suraj Prakash Naik	-	-	3,921	3,921
Michelle Clarke	-	-	4,067	4,067

5. Share options

On 1 January 2018 (the "Date of Grant"), the Group has adopted the Share Options Plan 2018 (the "Plan 1"), the Company has granted 160,000 share options under the Plan 1 to its employees, with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2019 (the "Date of Grant"), the Group has adopted the Share Options Plan 2019 (the "Plan 2"), the Company has granted 42,913 share options under the Plan 2 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2020 (the "Date of Grant"), the Group has adopted the Share Options Plan 2020 (the "Plan 3"), the Company has granted 12,440 share options under the Plan 3 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2020 (the "Date of Grant"), the Group has adopted the Share Plan 2020 (the "Plan 4"), the Company has granted 3,000 shares under the Plan 4 to its board of advisors 3,000 shares (unvested and unissued) remain outstanding by the financial year end.

On 1 January 2020 (the "Date of Grant"), the Group has adopted the Share Plan 2020 (the "Plan 5"), the Company has granted 12,238 shares under the Plan 5 to its employees. The shares will be issued after the successful Initial Public Offering of the company. 12,238 shares (unvested and unissued) remain outstanding by the financial year end.

On 1 January 2021 (the "Date of Grant"), the Group has adopted the Share Options Plan 2021 (the "Plan 6"), the Company has granted 29,862 share options under the Plan 6 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

The purpose of the schemes was to provide an opportunity for directors, employees, and advisers of the Group to participate in the equity of the Group so as to motivate them to greater dedication, loyalty and higher standards of performance. The Plans are administered by the Board of Directors.

On behalf of the directors

DocuSigned by:
Roger Hamilton
E76FEF6825AC458...

Roger James Hamilton

Director

DocuSigned by:
D8C3EE30735A4FC...

Suraj Prakash Naik

Director

Singapore

19 June 2023

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENIUS GROUP LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Genius Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial 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 Group 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.

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 on the other information that we obtained prior to date of this report, 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.

Report on the Audit of 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 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 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 Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements. (Continued)

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 and subsidiaries in Singapore have been properly kept in accordance with the provisions of the Act.

Mazars LLP

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
19 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 US$	2020 US$
Revenue	4	8,294,805	7,633,776
Cost of sales		(5,477,202)	(4,134,108)
Gross profit		2,817,603	3,499,668
Administrative expenses		(8,776,280)	(6,778,410)
Other income	5	415,421	1,402,369
Exchange loss		(241,022)	(121,909)
Finance costs	6	(346,890)	(504,179)
Loss before income tax	7	(6,131,168)	(2,502,461)
Income tax credit/(expense)	8	128,852	(69,245)
Loss for the financial year		(6,002,316)	(2,571,706)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss, net of taxation			
Exchange differences on translating foreign operations		(1,403,068)	2,021,795
Total comprehensive loss for the financial year		(7,405,384)	(549,911)
Loss for the financial year attributable to:			
Owners of the Company		(5,832,068)	(2,496,547)
Non-controlling interest		(170,248)	(75,159)
Loss for the financial year		(6,002,316)	(2,571,706)
Total comprehensive loss for the financial year attributable to:			
Owners of the Company		(7,130,643)	(492,714)
Non-controlling interest		(274,741)	(57,197)
Total comprehensive loss for the financial year		(7,405,384)	(549,911)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Group	
	Note	2021 US$	2020 US$
ASSETS			
Non-current assets			
Property, plant and equipment	9	5,858,336	7,596,990
Right-of-use asset	29	1,077,241	1,663,881
Financial assets at FVTOCI	11	29,069	29,076
Goodwill	12	-	1,209,953
Intangible assets	13	1,391,609	1,004,914
Deposits	14	516,296	516,296
Total non-current assets		8,872,551	12,021,110
Current assets			
Cash and cash equivalents	15	1,784,938	2,273,151
Trade and other receivables	16	6,285,848	5,253,204
Inventories	17	92,530	112,543
Total current assets		8,163,316	7,638,898
Total assets		17,035,867	19,660,008
EQUITY AND LIABILITIES			
Equity			
Share capital	18	50,335,418	50,335,418
Share option reserve	19	838,846	545,009
Foreign currency translation reserve	19	489,488	1,788,063
Merger reserves	19	(33,900,850)	(33,900,850)
Other reserves	20	(250,000)	(250,000)
Accumulated losses		(14,379,307)	(8,547,239)
Equity attributable to owners of the Company		3,133,595	9,970,401
Non-controlling interest		4,244,116	257,153
Total equity		7,377,711	10,227,554
Non-current liabilities			
Lease liabilities	29	894,589	1,307,932
Borrowings	21	85,858	157,629
Convertible loans	24	766,245	1,531,639
Deferred tax liabilities	25	723,122	875,425
Total non-current liabilities		2,469,814	3,872,625

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 US$	Group 2020 US$
Current liabilities			
Trade and other payables	26	3,542,528	2,562,872
Financial liabilities	27	250,000	250,000
Contract liabilities	28	1,960,811	1,546,712
Lease liabilities	29	436,271	545,132
Borrowings	21	65,415	65,611
Amount due to related parties	23	425,552	589,502
Convertible loans	24	507,765	-
Total current liabilities		7,188,342	5,559,829
Total liabilities		9,658,156	9,432,454
Total equity and liabilities		17,035,867	19,660,008

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Company 2021 US$	Company 2020 US$
ASSETS			
Non-current assets			
Property and equipment	9	1,737	5,050
Investment in subsidiaries	10	26,101,251	43,355,561
Financial assets at FVTOCI	11	28,698	28,698
Intangible assets	13	9,873	13,234
Deposits	14	516,296	516,296
Total non-current assets		26,657,855	43,918,839
Current assets			
Cash and cash equivalents	15	103,876	413,467
Trade and other receivables	16	4,112,107	3,949,636
Total current assets		4,215,983	4,363,103
Total assets		30,873,838	48,281,942
EQUITY AND LIABILITIES			
Equity			
Share capital	18	50,335,418	50,335,418
Share option reserve	19	780,803	486,966
Deemed capital injection	19	58,043	58,043
Other reserves	20	(250,000)	(250,000)
Foreign currency translation reserve	19	-	(227,220)
Accumulated losses		(24,626,932)	(4,502,885)
Total equity		26,297,332	45,900,322
Non-current liabilities			
Convertible loans	24	766,245	982,719
Total non-current liabilities		766,245	982,719
Current liabilities			
Amount due to subsidiaries	22	2,727,646	490,868
Amount due to related parties	23	348,000	420,676
Trade and other payables	26	484,615	237,357
Financial liabilities	27	250,000	250,000
Total current liabilities		3,810,261	1,398,901
Total liabilities		4,576,506	2,381,620
Total equity and liabilities		30,873,838	48,281,942

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Share capital US$	Share option reserve US$	Foreign currency translation reserve[(a)] US$	Merger reserves US$	Other reserves US$	Treasury Stock US$	Accumulated losses US$	Attributable to owners of the Company US$	Non-controlling interest US$	Total equity US$
At 1 January 2020	**25,542,343**	**1,196,403**	**(215,770)**	**(13,521,337)**	**-**	**(494,476)**	**(6,050,692)**	**6,456,471**	**-**	**6,456,471**
Contributions by owners:										
Issuance of shares for cash (Note 18)	2,222,000	-	-	-	-	-	-	2,222,000	-	2,222,000
Shares issued for subscriptions receivable (Note 18)	915,763	-	-	-	-	-	-	915,763	-	915,763
Shares issued for conversion of convertible loans (Note 18)	2,664,004	-	-	-	-	-	-	2,664,004	-	2,664,004
Shares issued pursuant to share based compensation (Note 18)	1,050,000	(1,050,000)	-	-	-	-	-	-	-	-
Shares issued for acquisition of Entrepreneur Resorts (Note 10)	30,997,810	-	-	-	-	-	-	30,997,810	314,350	31,312,160
Eliminations on acquisition of Entrepreneur Resorts [(b)]	(13,406,502)	-	-	-	-	494,476	-	(12,912,026)	-	(12,912,026)
Shares issued in satisfaction of a liability (Note 18)	350,000	-	-	-	(250,000)	-	-	100,000	-	100,000
Share based compensation (Note 7)	-	398,606	-	-	-	-	-	398,606	-	398,606
Business combination under common control (Note 10)	-	-	-	(20,379,513)	-	-	-	(20,379,513)	-	(20,379,513)
Total contributions by owners	24,793,075	(651,394)	-	(20,379,513)	(250,000)	494,476	-	4,006,644	314,350	4,320,994
Loss for the financial year	-	-	-	-	-	-	(2,496,547)	(2,496,547)	(75,159)	(2,571,706)
Other comprehensive income:										
Foreign currency translation	-	-	2,003,833	-	-	-	-	2,003,833	17,962	2,021,795
Total comprehensive income/(loss) for the financial year ended 31 December 2020	-	-	2,003,833	-	-	-	(2,496,547)	(492,714)	(57,197)	(549,911)
At 31 December 2020	**50,335,418**	**545,009**	**1,788,063**	**(33,900,850)**	**(250,000)**	**-**	**(8,547,239)**	**9,970,401**	**257,153**	**10,227,554**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Share capital US$	Share option reserve US$	Foreign currency translation reserve[a] US$	Merger reserves US$	Other reserves US$	Accumulated losses US$	Attributable to owners of the Company US$	Non-controlling interest US$	Total equity US$
At 1 January 2021	**50,335,418**	**545,009**	**1,788,063**	**(33,900,850)**	**(250,000)**	**(8,547,239)**	**9,970,401**	**257,153**	**10,227,554**
Contributions by owners:									
Disposal of interest in subsidiaries without change of control [c]	-	-	-	-	-	-	-	4,046,928	4,046,928
Shares issued for conversion of convertible loans [d]	-	-	-	-	-	-	-	214,776	214,776
Share based compensation (Note 7)	-	293,837	-	-	-	-	293,837	-	293,837
Total contributions by owners	-	293,837	-	-	-	-	293,837	4,261,704	4,555,541
Loss for the financial year	-	-	-	-	-	(5,832,068)	(5,832,068)	(170,248)	(6,002,316)
Other comprehensive income:									
Foreign currency translation	-	-	(1,298,575)	-	-	-	(1,298,575)	(104,493)	(1,403,068)
Total comprehensive loss for the financial year ended 31 December 2021	-	-	(1,298,575)	-	-	(5,832,068)	(7,130,643)	(274,741)	(7,405,384)
At 31 December 2021	50,335,418	838,846	489,488	(33,900,850)	(250,000)	(14,379,307)	3,133,595	4,244,116	7,377,711

(a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) The elimination is due to Entrepreneur Resorts Limited ("Entrepreneur Resorts") is included in the opening balance before acquisition due to merger accounting.

(c) The amount represents the share capital injection from individual investors to the subsidiaries of the Group during the financial year.

(d) The amount represents the convertible loan held by minority interest of Entrepreneur Resorts and GeniusU Limited that has been converted to share capital during the financial year.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 US$	Group 2020 US$
Operating activities			
Loss before income tax		(6,131,168)	(2,502,461)
Adjustments for:			
- Interest income	5	-	(55,649)
- Interest expense	6	346,890	504,179
- Share-based compensation	7	293,837	398,606
- Depreciation of property and equipment	7	643,798	702,538
- Amortisation of intangible assets	7	427,441	374,688
- Depreciation of right-of-use assets	7	507,689	474,896
- Impairment loss on goodwill	7	1,209,953	-
- Impairment loss on property, plant and equipment	7	914,467	-
- Provision for doubtful debts for other receivable	7	799,491	-
- Reversal of deferred debt discount	7	-	337,838
- (Reversal)/Provision for doubtful debts for trade receivables	7	(39,108)	161,788
- (Gain)/Loss on foreign exchange transactions		(268,202)	384,582
- Loss on disposal of property and equipment	7	2,197	294
- Other payables written back	5	-	(400,000)
- Gain on sales of equity investment	5	-	(801,438)
Total operating cash flows before changes in working capital		(1,292,715)	(420,139)
Trade and other receivables		(2,093,011)	(316,503)
Inventories		20,013	6,973
Trade and other payables		529,487	1,033,411
Other non-current liabilities		-	(25,147)
Contract liabilities		271,088	(1,684,719)
Cash flows used in operating activities		(2,565,138)	(1,406,124)
Investing activities			
Purchase of intangible assets	13	(804,340)	(457,223)
Purchase of property and equipment	9	(91,468)	(588,843)
Proceeds from disposal of property and equipment		-	24,942
Interest income received	5	-	55,649
Deposit paid for investment in University of Antelope Valley	14	-	(516,296)
Cash flows used in investing activities		(895,808)	(1,481,771)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group	
	Note	**2021**	**2020**
		US$	**US$**
Financing activities			
Amount due to related parties		(163,950)	(1,243,298)
Interest expense paid		(346,890)	(149,001)
Disposal of interest in subsidiaries without change of control	10	4,046,928	-
Repayment of borrowings		(71,967)	(58,648)
Proceeds from equity issuances, net of issuance cost		-	2,137,066
Proceeds from convertible loans, net of issuance cost	24	-	1,463,967
Repayment of lease liabilities		(419,554)	(420,675)
Cash flows generated from financing activities		3,044,567	1,729,411
Effect of exchange rate changes on cash and cash equivalents		(71,834)	141,540
Net decrease in cash and cash equivalents		(416,379)	(1,158,484)
Cash and cash equivalents at beginning of the financial year		2,273,151	3,290,095
Cash and cash equivalents at end of the financial year	15	1,784,938	2,273,151

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

Reconciliation of assets/(liabilities) arising from financing activities

	1 January 2021 US$	Financing cash outflows[1] US$	Non-cash movement: Converted to share capital/ reserves	Non-cash movement: Interest expenses US$	Non-cash movement: Exchange differences US$	31 December 2021 US$
Liabilities						
Amount due to related parties	589,502	(163,950)	-	-	-	425,552
Borrowings	223,240	(83,801)	-	11,834	-	151,273
Convertible loans	1,531,639	(202,177)	(214,776)	202,177	(42,853)	1,274,010
Lease liabilities	1,853,064	(552,433)	-	132,879	(102,650)	1,330,860

	1 January 2020 US$	Financing cash inflows/ (outflows)[1] US$	Non-cash movement: Converted to share capital/ reserves US$	Non-cash movement: Reversal of deferred debt discount US$	Non-cash movement: Interest expenses US$	Non-cash movement: Exchange differences US$	31 December 2020 US$
Liabilities							
Amount due to related parties	1,832,800	(1,243,298)	-	-	-	-	589,502
Borrowings	281,888	(76,358)	-	-	17,710	-	223,240
Convertible loans	1,918,340	1,463,967	(2,664,004)	337,838	355,178	120,320	1,531,639
Lease liabilities	2,273,739	(551,966)	-	-	131,291	-	1,853,064

[1] Net or proceeds of repayment to and from related parties and repayment of lease liabilities.

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

1. General information

Genius Group Limited (the “Company”) (Registration Number: 201541844C) is incorporated and domiciled in Singapore. The address of its registered office is 8 Amoy Street, #01-01, Singapore 049950.

The principal activities of the Company are to carry on the business of management consultancy services. There has been no significant change in the nature of these activities during the financial year.

The principal activities of its subsidiaries are disclosed in Note 10 to the financial statements.

The financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 19 June 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (“FRS”) including related Interpretations of FRS (“INT FRS”) and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in United States dollar (“US$”) and the Company’s functional currency is Singapore dollar.

In the current year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2021. The adoption of these new or revised FRS and INT FRS did not result in changes to the Group’s and Company’s accounting policies and has no material effect on the amount reported for the current or prior year’s financial statement and is not expected to have material effect on future periods.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRSs and INT FRSs issued but not yet effective.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs were issued but not yet effective:

FRS	Title	Effective date (annual periods beginning on or after)
FRS 116	Amendment to FRS 116: *Covid-19- Related Rent Concessions beyond 30 June 2021*	1 April 2021
FRS 103	Amendments to FRS 103: *Reference to the Conceptual Framework*	1 January 2022
FRS 16	Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
FRS 37	Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Various	Annual Improvements to FRSs 2018-2020	1 January 2022
FRS 117	Insurance Contracts	1 January 2023
Various	Amendments to FRS 117	1 January 2023
FRS 101, FRS 28	Amendments to FRS 110 and FRS 28: *Sale or 28 Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
FRS 1	Amendment to FRS 1: *Classification of Liabilities as Current or Non-current*	1 January 2024
FRS 116	Amendment to FRS 116: *Lease Liability in a Sale and Leaseback*	1 January 2024
FRS 8	Amendments to FRS 8: *Definition of Accounting Estimates*	1 January 2023
FRS 12, FRS 101	Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Various	Amendments to FRS 1: *Non-current Liabilities with Covenants*	1 January 2024
FRS 7, FRS 107	Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*	1 January 2024

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiary if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiary are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiary used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiary have been changed to ensure consistency with the policies adopted by the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amount previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 109 *Financial Instruments* ("FRS 109") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

<u>Investment in subsidiary</u>

Investment in subsidiary is carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2. Summary of significant accounting policies (Continued)

2.3 Acquisitions from entities under common control

Common Control Business Combination Outside the Scope of FRS 103 *Business Combinations* ("FRS 103")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, is outside the scope of FRS 103 *Business combinations* ("FRS 103"). For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognises the assets, liabilities and equity of the combining entities or businesses at the carrying amount in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amount are included as if such combined entity's accounting policies and applying those policies to all periods presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combined entity.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquirer's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiaries are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Merger reserve represents the differences between the net assets of the combining entities at the date on which it was acquired by the Group and the consideration for the acquisition.

2.4 Business combinations

The acquisition of subsidiary is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

2. Summary of significant accounting policies (Continued)

2.4 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combination* ("FRS 103") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* ("FRS 105") which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amount arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment;* and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amount for the items for which the accounting is incomplete. Those provisional amount are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amount of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. Summary of significant accounting policies (Continued)

2.4 Business combinations (Continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.5 Revenue recognition

The Group is principally in the business of providing digital education platform and in-person education courses. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Digital education platform

Revenue from digital education platform is recognised from online workshops, assessments, accreditations certifications and licenses provided by the Group and its partners. Revenue is derived, and performance obligations are fulfilled, at the point of time of delivery of the product or service, The Group is compensated by way of fees for the product or service as displayed at events or online.

Campus revenue

This revenue is derived by the Group's campus businesses and includes accommodation, spa, conferences and events, and memberships. Revenue is derived, and performance obligations are fulfilled, at the point in time of providing the services. The Group is compensated based on the advertised or agreed price of the goods as displayed online by the Group or booking agents in the case of accommodation, on in-house price lists in the case of spa, by tailored quote in the case of conferences and events, and as displayed in-house or online.

Sales of goods

Revenue from the sale of goods is recognised at a point in time when the control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. Summary of significant accounting policies (Continued)

2.5 Revenue recognition (Continued)

Commission income

The Group's business partners utilises the Group's digital platform for their educational classes or product listing. The Group retains a portion of the gross sales generated by the business partners on the platform as commission income. The income is recognised at a point in time.

Membership subscription

Revenue from membership subscription is recognised from membership subscribed by client. Revenue is derived, and performance obligations are fulfilled, over the time of membership of 12 months. The Group is compensated by way of fees for the membership maintained for customer who seeks access to learning materials and courses.

In-person education courses

This revenue is derived from workshops, training programs and conferences that are delivered in person at the Group's campuses or third-party venues. Revenue is derived, and performance obligations are fulfilled, at the time of delivering the event. The Group is compensated by way of course fees as displayed at events or online. The Group's typical customer for this revenue source is an entrepreneur who seeks to acquire education in a community environment.

2.6 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 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 profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method.

2. Summary of significant accounting policies (Continued)

2.8 Income tax (Continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amount of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

2.9 Foreign currency transaction and translation

Foreign currency transactions are translated into the individual entities' respective functional currency at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

2. Summary of significant accounting policies (Continued)

2.9 Foreign currency transaction and translation (Continued)

For the purpose of presenting financial statements, the assets and liabilities of the Group's operations (including comparatives) are expressed in USD using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at exchange rates at the dates of the transactions. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.10 Property, plant and equipment

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

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Land is stated at cost. Depreciation is charged so as to write off the cost, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	20 years
Machinery	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Others	3 to 5 years

Leasehold improvements are amortized over the period of the lease or useful lives of the asset, whichever is shorter.

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property and equipment is recognised in profit or loss.

Fully depreciated property and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.11 Intangible assets

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

Internally generated intangible assets

Expenditure from the research phase of an internal project to create an intangible asset is expensed in profit or loss when it is incurred. Where the research phase cannot be distinguished from the development phase of an internal project, the Group treats the expenditure on that project as if it were incurred in the research phase only.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if, any only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The amortisation charge is recognised in profit or loss and is assessed for impairment when there is an indication that the intangible asset may be impaired. The estimated amortisation period and amortisation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

2. Summary of significant accounting policies (Continued)

2.11 Intangible assets (Continued)

Trademarks

Trademarks are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2.12 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amount of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use ("VIU"). In assessing VIU, 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.13 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in FRS 115 *Revenue from Contracts with Customers* ("FRS 115").

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets

Initial recognition and measurement (Continued)

Financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial assets held at FVTOCI

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which FRS 103 applies, as subsequently measured at FVTOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The group has elected to designate investments in unquoted equity instruments at FVTOCI. Upon derecognition cumulative fair value changes are transferred to accumulated profits.

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVTOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Impairment of financial assets (Continued)

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, contract assets arising from the Group’s contracts with customers under FRS 115 are assessed for impairment in accordance with FRS 109, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Ordinary share capital

Ordinary share capital is classified as equity. Incremental cost directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Convertible loans

Convertible loans are treated as compound instruments if it meets the “fixed-for fixed” criterion, consisting of a liability component and an equity component. If it does not meet the “fixed-for fixed” criterion, it will be treated as a financial liability. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

The liability component of convertible loans is recognised initially at the fair value of a similar non-convertible liability. The carrying amount of the equity component is then determined by deducting the fair value of the liability component from the fair value of the compound financial instrument as a whole.

Any directly attributable transaction costs are allocated to the liability and equity portion in proportion to their initial carrying amount.

Subsequent to the initial measurement, the liability component of the convertible loans is measured at amortised cost using the effective interest method until its extinguishment upon conversion, redemption or at the maturity date. The equity component remains as equity, net of income tax effects, but may be transferred within equity.

Treasury shares

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option plan, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2. Summary of significant accounting policies (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 Leases

At inception of a contract, the Group assessed whether the 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.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under FRS 116 Leases ("FRS 116"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

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, less any lease incentives received, 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, 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. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

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.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amount expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

2. Summary of significant accounting policies (Continued)

2.16 Leases (Continued)

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the consolidated profit or loss when the changes arise.

2. Summary of significant accounting policies (Continued)

2.18 Related parties

A related party is defined as follows:

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

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and the Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly, including any director (whether executive or otherwise) of that company.

2. Summary of significant accounting policies (Continued)

2.19 Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled share option reserve.

Where the grant of equity instruments is cancelled or settled during the vesting period, other than a grant cancelled by forfeiture when the vesting conditions are not satisfied, the Group recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. Where the employee leaves the Group before the options vest, the options are forfeited.

The transfer of the balance in the share option reserve to share capital or treasury shares upon exercise of the option and the transfer of the balance in the share option reserve to accumulated profits upon expiry of the option are not mandatory and may be kept as a separate reserve upon expiry or exercise of the option.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS requires the use of judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only the financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

3.1 Critical judgements made in applying the Group and Company's accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Common control business combinations

The Group has adopted the book value method for the accounting of common control business combinations for the following subsidiaries deemed by the management to be acquired under common control business combinations, namely, Entrepreneur Resorts Group and Wealth Dynamics Pte. Ltd.. The entities are deemed to be under common control of Roger James Hamilton, a common shareholder.

3. Critical accounting judgements and key sources of estimation uncertainty

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Depreciation of property and equipment

The Group depreciates the property and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's and Company's property and equipment as at 31 December 2021 were US$5,858,336 (2020: US$7,596,990) and US$1,737 (2020: US$5,050) respectively (Note 9).

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the VIU of the CGU to which goodwill has been allocated. The VIU calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. US$1,209,953 impairment loss was recognised during the financial year ended 31 December 2021 (2020: US$ Nil). The carrying amount of goodwill as at 31 December 2021 was US$Nil (2020: US$1,209,953) (Note 12).

Impairment of intangible assets

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The Management estimates the useful lives of intangible assets to be 5 years. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The carrying amount of the Group's and Company's intangible assets as at 31 December 2021 was US$1,391,609 (2020: US$1,004,914) and US$9,873 (2020: US$13,234) respectively (Note 13).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, management's assessments are based on the estimation of the VIU of the assets defined in FRS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 December 2021 was US$26,101,251 (2020: US$43,355,561) (Note 10).

3. Critical accounting judgements and key sources of estimation uncertainty

3.2 Key sources of estimation uncertainty (Continued)

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2021 is US$122,680 (2020: US$161,788) (Note 31).

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payable and deferred tax liabilities as at 31 December 2021 was US$ NIL (2020: US$ NIL) and US$723,122 (2020: US$875,425) (Note 25) respectively.

Fair value and allocation of convertible loans

Convertible loans are measured at fair value at the initial recognition. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible loans, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option. The carrying amount of the Group's and Company's convertible loans recognised as liability as at 31 December 2021 was US$1,274,010 (2020: US$1,531,639) and US$766,245 (2020: US$982,719) (Note 24) respectively.

Share-based compensation

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted based on Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The carrying amount of the Group's and Company's share option reserve as of 31 December 2021 is US$838,846 (2020: US$545,009) (Note 19).

4. Revenue

The disaggregation of revenue from contracts with customers is as follows:

	Group	
	2021 US$	2020 US$
At point in time		
Digital education platform	3,518,114	2,362,562
Campus revenue	1,813,640	565,331
Sale of goods	1,244,227	1,280,320
Commission income	291,771	63,373
	6,867,752	4,271,586
Over time		
Membership subscription	1,093,412	3,000,631
In-person education courses	333,641	361,559
	1,427,053	3,362,190
	8,294,805	7,633,776

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised in the following financial years are as follows:

	2021 US$	2020 US$
Within one year	1,125,377	1,546,712

5. Other income

	Group	
	2021 US$	2020 US$
Government grant(i)	186,252	-
Job support scheme(ii)	132,176	-
Gain on sales of equity investment(iii)	-	801,438
Other payables written back(iv)	-	400,000
Interest income	-	55,649
Others	96,993	145,282
	415,421	1,402,369

5. Other income (Continued)

(i) The Group has been awarded certain government grants for which the grant income was recognised in other income. The major grant income relating to Australian Government subsidies transferred from related party amounted to US$181,494 (2020: US$ Nil) and the corresponding expenses were recognised in staff costs and administrative expenses respectively.

(ii) Jobs Support Scheme ("JSS") is a support measure by the government to relief operations affected by COVID-19. JSS provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

(iii) The Group recognised a gain on sales of equity investment as the subsidiaries disposed equity investment of the Group to a related party.

(iv) The other payables written back relates to the partial discount given for settlement of the remaining consideration pertaining to the acquisition of Tau Game Lodge Proprietary Limited.

6. Finance costs

	Group	
	2021 US$	2020 US$
Interest expense on:		
- Borrowings	11,834	17,710
- Lease liabilities	132,879	131,291
- Convertible loan	202,177	355,178
	346,890	504,179

7. Loss before income tax

In addition to the charges and credits disclosed elsewhere in the financial statements, the above includes the following charges:

	Group	
	2021 US$	2020 US$
Salaries, wages, bonuses and other benefits	4,494,239	3,031,485
Depreciation of property and equipment	643,798	702,538
Consulting and professional services	649,476	424,891
Impairment loss on goodwill	1,209,953	-
Impairment loss on property, plant and equipment	914,467	-
Impairment loss on other receivable	799,491	-
Depreciation of right-of-use assets	507,689	474,896
Amortisation of intangible assets	427,441	374,688
Share based compensation	293,837	398,606
Rent expense	65,485	144,423
Loss on disposal of property and equipment	2,197	294
(Reversal)/Provision for doubtful debts for trade receivables	(39,108)	161,788
Reversal of deferred debt discount	-	337,838

8. Income tax credit/(expense)

	Group	
	2021 US$	2020 US$
Deferred tax credit/(expense)		
Current financial year (Note 25)	128,852	(69,245)

The reconciliation between tax expense and the loss before income tax multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021 US$	2020 US$
Reconciliation of effective tax rate is as follows:		
Loss before income tax	(6,131,168)	(2,502,461)
Tax at the domestic tax rates applicable to profits in the countries where the Group operates	(1,042,299)	(425,418)
Expenses not deductible for tax purposes	287,491	39,479
Deferred tax asset on temporary differences not recognised	745,009	407,519
Different tax rates of subsidiaries operating in other jurisdictions	(55,046)	(24,305)
Others	(64,007)	71,970
	(128,852)	69,245

8. Income tax expense (Continued)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Company and the subsidiaries operating in Singapore are subject to income tax rate of 17% (2020: 17%) on their taxable income.

The subsidiary operating in South Africa is subject to income tax at the rate of 28% (2020: 28%) on its taxable income according to South Africa corporate income tax law.

The subsidiaries operating in Indonesia is subject to income tax at the rate of 25% (2020: 25%) on their taxable income according to Indonesia corporate income tax law.

The subsidiaries operating in United Kingdom is subject to income tax at the rate of 18% (2020: 18%) on their taxable income according to United Kingdom corporate income tax law.

The subsidiaries operating in Seychelles is subject to income tax at the rate of 0% (2020: 0%) on their taxable income according to Seychelles corporate income tax law.

Unrecognised tax losses

At the end of the financial year, the Group have unabsorbed tax losses as follows:

	2021 US$	2020 US$
Unabsorbed tax losses	9,982,291	6,155,623

Unabsorbed tax losses do not expire under current legislation and are available for offset against future taxable profits of the companies in which the losses arose, and for which no deferred tax asset was recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

9. Property, plant and equipment

Group	Land US$	Buildings US$	Leasehold property US$	Machinery US$	Furniture and fixtures US$	Motor vehicles US$	Others US$	Construction in progress US$	Total US$
Cost									
At 1 January 2020	1,486,718	3,774,580	3,373,869	103,155	239,759	74,055	172,131	825,307	10,049,574
Additions	-	490,961	54,250		39,739		3,893	-	588,843
Disposals	-	-	-	(3,309)	(24,033)	-	(1,203)		(28,545)
Reclass	-	-	825,307	-	-	-	-	(825,307)	-
Exchange Differences	-	359,867	(1,579)	(3,291)	-	(13,734)	(4,754)	-	336,509
At 31 December 2020	1,486,718	4,625,408	4,251,847	96,555	255,465	60,321	170,067	-	10,946,381
Additions	-	-	-	1,891	59,886	-	29,691	-	91,468
Disposals	-	-	-	-	(3,399)	-	(16,220)	-	(19,619)
Exchange Differences	-	(215,290)	(64,626)	(29,336)	13,192	41,712	(15,312)	-	(269,660)
At 31 December 2021	1,486,718	4,410,118	4,187,221	69,110	325,144	102,033	168,226	-	10,748,570
Accumulated depreciation									
At 1 January 2020	-	(344,035)	(2,280,573)	(7,236)	(8,307)	(2,175)	(7,836)	-	(2,650,162)
Additions	-	(330,746)	(241,743)	(7,944)	(57,785)	(28,336)	(35,984)	-	(702,538)
Disposals	-	-	-	3,309	-	-	-	-	3,309
At 31 December 2020	-	(674,781)	(2,522,316)	(11,871)	(66,092)	(30,511)	(43,820)	-	(3,349,391)
Additions	-	(323,180)	(174,092)	(7,598)	(53,570)	(33,006)	(52,352)	-	(643,798)
Disposals	-	-	-	-	2,007	-	15,415	-	17,422
At 31 December 2021	-	(997,961)	(2,696,408)	(19,469)	(117,655)	(63,517)	(80,757)	-	(3,975,767)
Accumulated Impairment loss									
At 1 January 2020 and 31 December 2020	-	-	-	-	-	-	-	-	-
Impairment during the year	-	(914,467)	-	-	-	-	-	-	(914,467)
At 31 December 2021	-	(914,467)	-	-	-	-	-	-	(914,467)
Carrying amount									
At 31 December 2021	1,486,718	2,497,690	1,490,813	49,641	207,489	38,516	87,469	-	5,858,336
At 31 December 2020	1,486,718	3,950,627	1,729,531	84,684	189,373	29,810	126,247	-	7,596,990

During the financial year, the Group acquired property, plant and equipment for an aggregate of US$91,468 (2020: US$588,843).

9. Property, plant and equipment (Continued)

Company	Computer US$
Cost	
Balance as at 1 January 2020	7,436
Foreign currency adjustment	144
Balance as at 31 December 2020 and 31 December 2021	7,580
Accumulated depreciation	
Balance as at 1 January 2020	2,482
Foreign currency adjustment	48
Balance as at 31 December 2020	2,530
Charge for the year	3,313
Balance as at 31 December 2021	5,843
Net book value	
Balance as at 31 December 2021	1,737
Balance as at 31 December 2020	5,050

10. Investment in subsidiaries

	2021 US$	2020 US$
Unquoted equity investment, at cost		
At beginning of the year	43,355,561	11,397,815
Transfer from financial assets at FVTOCI (Note 11)	-	959,936
Addition during the year	66,022	30,997,810
Less: Impairment loss	(17,320,332)	-
Unquoted equity investment, net	26,101,251	43,355,561
At end of the year	26,101,251	43,355,561

An impairment assessment was conducted on the recoverable amounts of the Company's investment in subsidiaries during the financial year. Consequently, an impairment loss of US$17,320,332 (2020: US$ Nil) is recognised in the current financial year as the recoverable amount which is based on value-in-use of the subsidiaries at the end of the year is lower than the carrying amount of the Company's cost of investments.

10. Investment in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary company	Principal activity	Country of Incorporation	Equity holding 2021 %	Equity holding 2020 %
Held directly by the Company				
GeniusU Limited [1]	Providing educational services to entrepreneurs both through an online platform	Singapore	97.57	100
Wealth Dynamics Pte. Ltd. [1]	Business of management consultancy services	Singapore	100	100
Talent Dynamics Pathway Ltd. [2]	International business development training, built upon the principles and tools	United Kingdom	100	100
Entrepreneur Resorts [3]	Holding company	Seychelles	95.41	97.84
Held through Entrepreneur Resorts				
Entrepreneur Resorts Pte Ltd [4]	Licensing of trade, knowledge and resources	Singapore	100	100
Genius Central Singapore Pte. Ltd. [4]	Bar and Restaurant.	Singapore	100	100
PT XL Vision Villa and Genius Café [5]	Hotel and restaurant	Bali, Indonesia	100	100
Tau Game Lodge Proprietary Limited [6]	Game lodge/activity	South Africa	100	100
Matla Game Lodge Proprietary Limited [6]	Game lodge/activity	South Africa	100	100

(1) **Audited by Mazars LLP, Singapore.**
(2) **Audited by Ilyas Patel (Accountants) Limited .**
(3) **Audited by Moore Infinity (Previously known as PKF Octagon).**
(4) **Audited by VKR Practices Singapore.**
(5) **Audited by Kantor akuntan publik ketut budiartha and Anggiriawan.**
(6) **Audited by Lloyd Viljoen RA CA.**

Additional allotment of shares in a subsidiary and the dilution in non-controlling interest

On 1 February 2021, the subsidiary of the Company, GeniusU Pte Ltd had alloted and issued a total of 6,602,185 shares to the Company for a consideration of US$66,022. GeniusU Pte Ltd had further issued and allotted 248,597 shares for a consideration of US$3,130,928 and the exercise of convertible loan A amounted US$177,689 from the various external shareholders. Subsequent to the allotment of the shares, the Company holds 10,000,000 shares out of GeniusU Pte Ltd's 10,248,597 total shares, which resulted in a decrease of 2.43% in the shareholding of the subsidiary.

During the year 2021, the subsidiary of the Company, Entrepreneur Resorts had allotted and issued a total of 346,577 shares to various external shareholders for a consideration of US$916,000 and the exercise of convertible loan B amounted US$37,087 from various external shareholders which resulted in a further dilution of 2.48% and a total dilution of 4.59%. The Genius Group holds 95.41% after the share issuance.

10. Investment in subsidiaries (Continued)

Acquisition of subsidiaries

On July 17, 2020, the Company acquired 97.84% of the voting equity interest of Entrepreneur Resorts Group and its wholly owned subsidiaries, which are under common control, for US$30,997,810 of purchase consideration, made up of US$30,997,810 of Genius Group Limited ordinary shares. The excess of the purchase consideration over the carrying value of Entrepreneur Resort's assets and liabilities was recognised in merger reserves. Entrepreneur Resorts operates resorts and cafes.

A summary of the allocation of the net book value of the assets and liabilities associated with Entrepreneur Resorts at acquisition are shown below.

	Book value of the identifiable assets and liabilities US$
Assets	
Property and equipment	6,865,544
Intangible assets	67,849
Trade and other receivables	812,769
Inventories	157,927
Cash and cash equivalents	1,376,396
Right-of-use asset	1,740,083
Goodwill	1,209,953
	12,230,521
Liabilities	
Trade and other payables	(1,070,155)
Contract liabilities	(564,215)
Deferred tax liability	(607,270)
Operating lease liabilities – current	(519,740)
Convertible loans	(1,220,450)
Operating lease liabilities – non-current	(1,311,110)
Loans payable – non-current	(1,000,000)
	(6,292,940)
Net identifiable assets at book value	5,937,581
Net assets acquired – 97.84% controlling interest	5,806,954

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	US$
Effect of the acquisition:	
Total consideration for the acquisition	30,997,810
Derecognition of FVTOCI (Note 11)	959,936
Less: Merger reserve recognised previously for acquisition of Entrepreneur Resorts Pte Ltd during 2017	(5,123,337)
Less: Foreign currency translation adjustment	(647,942)
Less: Net identifiable assets at book value	(5,806,954)
Merger reserve	20,379,513

10. Investment in subsidiaries (Continued)

Acquisition of subsidiaries (Continued)

Subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that has NCI that is material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI		Loss allocated to NCI during the reporting period		Accumulated NCI at the end of reporting period	
	2021	2020	2021	2020	2021	2020
	%	%	US$	US$	US$	US$
GeniusU Pte Ltd ("GU")	2.43	-	(28,545)	-	3,443,315	-
Entrepreneur Resorts ("ERL")	4.59	2.16	(141,703)	(57,197)	1,351,769	257,153

	2021 US$ GU	2021 US$ ERL	2020 US$ ERL
Assets			
Non-current	1,390,843	13,688,601	15,083,410
Current	6,721,278	4,431,112	1,919,325
	8,112,121	18,119,713	17,002,735
Liabilities			
Non-current	-	(2,587,787)	(2,718,736)
Current	(2,568,966)	(6,846,049)	(5,634,493)
	(2,568,966)	(9,433,836)	(8,353,229)
Net assets	5,543,155	8,685,877	8,649,506
Results			
Revenue	5,245,424	2,727,017	2,264,736
Loss for the financial year	(1,174,679)	(3,087,208)	(3,265,449)
Total comprehensive loss	(1,174,679)	(3,087,208)	(3,275,552)
Net cash flow used in operations	(2,557,874)	(481,701)	(993,608)

11. Financial assets at FVTOCI

	Group		Company	
	2021	**2020**	**2021**	**2020**
	US$	**US$**	**US$**	**US$**
At beginning of financial year	29,076	28,526	28,698	431,955
Addition	-	-	-	556,136
Derecognition (Note 10)	-	-	-	(959,936)
Currency translation	(7)	550	-	543
At end of financial year	29,069	29,076	28,698	28,698
Non-current investments				
Unquoted equity instruments – at FVTOCI	29,069	29,076	28,698	28,698

On September 11, 2017, the Company entered into an agreement to purchase a 2.5% interest in Yougo World Ltd., a start-up company focusing on mixed reality platforms, content and services. The investment was funded in 2018.

On 31 January 2020, the Company acquired 200,000 shares (1.47% interest) from Entrepreneur Resorts with consideration of approximately US$556,136, the amount has been derecognised based on the fair value upon the further acquisition of 94.9% of Entrepreneur Resorts as of 17 July 2020.

12. Goodwill

	Group	
	2021	**2020**
	US$	**US$**
At 1 January	1,209,953	1,209,953
Less: impairment loss	(1,209,953)	-
31 December	-	1,209,953

Goodwill is allocated to the Company's CGUs. The recoverable amount of these CGUs have been determined based on VIU calculations. Other assumptions included in VIU calculations are closely linked to entity-specific key performance indicators.

The carrying amount of goodwill had been allocated by CGU or groups of CGU as follows:

	Group	
	2021	**2020**
	US$	**US$**
PT XL Vision Villa	-	1,209,953

12. Goodwill (Continued)

Impairment testing of goodwill

The Group tests CGU for impairment annually, or more frequently if there is an indication of impairment.

The recoverable amount of the CGU are determined from VIU calculations. Cash flow projections used in the VIU calculations were based on financial budgets approved by Board of Directors covering a five-year period. The key assumptions for these VIU calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specifics to the CGUs. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	PT XL Vision Villa	
	2021	2020
Gross margin (i)	71.7%	73.4%
Growth rates (ii)	4%	143.4%
Discount rates (iii)	17.4%	15.53%
Terminal growth rates (iv)	3.0%	2.0%

Key assumptions used in the VIU calculations

(i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.

(ii) *Growth rates* – The forecasted revenue growth rates are based on management's expectations for each CGU from historical trends and planned business strategies, as well as long-term average growth rates of the hospitality industry in the respective countries.

(iii) *Discount rates* – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.

(iv) *Terminal growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Impairment loss recognised

US$1,209,953 impairment loss was recognised during the financial year ended 31 December 2021 (2020: US$ Nil).

13. Intangible assets

Group	Trademarks US$	GeniusU platform US$	Total US$
Cost			
At 1 January 2020	-	1,570,348	1,570,348
Additions	13,234	443,989	457,223
At 31 December 2020	13,234	2,014,337	2,027,571
Additions	-	804,340	804,340
Exchange difference	-	(7,181)	(7,181)
At 31 December 2021	13,234	2,811,496	2,824,730
Accumulated amortisation			
At 1 January 2020	-	647,969	647,969
Charge for the year	-	374,688	374,688
At 31 December 2020	-	1,022,657	1,022,657
Charge for the year	3,361	424,080	427,441
Exchange difference	-	(16,977)	(16,977)
At 31 December 2021	3,361	1,429,760	1,433,121
Carrying amount:			
At 31 December 2021	9,873	1,381,736	1,391,609
At 31 December 2020	13,234	991,680	1,004,914

Company	Trademarks US$	Total US$
Cost		
At 1 January 2020	-	-
Additions	13,234	13,234
At 31 December 2020 and 31 December 2021	13,234	13,234
Accumulated amortisation		
At 1 January 2020 and 31 December 2020	-	-
Charge for the year	3,361	3,361
At 31 December 2021	3,361	3,361
Carrying amount:		
At 31 December 2021	9,873	9,873
At 31 December 2020	13,234	13,234

13. Intangible assets (Continued)

The Company's intangible assets mainly pertain to costs incurred in connection with the development of the Company's digital education software platform.

The amortisation expense, which is recognised over the remaining period of digital education software platform has been included as "cost of sales" in the statement of profit or loss and other comprehensive income. Amortisation begins when development is complete, and the asset is available for use. Development costs are amortised based on a useful life of five years.

14. Deposits

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Deposits	516,296	516,296	516,296	516,296

As of December 31, 2021, other non-current assets amounting to US$516,296 (2020: US$516,296) consists of a deposit on a proposed acquisition of University of Antelope Valley. The deposits are denominated in United States Dollars.

On July 7, 2022, the Company acquired 100% shareholding in University of Antelope Valley, LLC for a consideration of US$6,000,000 of the Company ordinary shares.

15. Cash and cash equivalents

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Cash at bank	1,784,938	2,273,151	103,876	413,467

The Group's and the Company's cash and cash equivalents are all denominated in the following currencies as at the reporting date:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
South African Rand	703,815	799,420	-	-
United States Dollars	636,210	412,495	101,538	174,405
Singapore Dollars	398,487	1,025,361	2,338	239,062
Great British Pounds	36,965	880	-	-
Indonesia Rupiah	8,317	34,995	-	-
Australian Dollars	1,144	-	-	-
	1,784,938	2,273,151	103,876	413,467

16. Trade and other receivables

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Trade receivables				
Third parties	1,206,682	1,110,129	-	-
Less: Allowance for doubtful debts	(122,680)	(161,788)	-	-
	1,084,002	948,341	-	-
Other receivables				
Amount due from shareholders	1,267,059	1,267,059	1,267,059	1,267,059
Prepayment	2,372,858	1,322,528	1,623,881	606,297
Deposits	210,010	226,189	-	-
Due from subsidiaries	-	-	2,020,658	2,076,280
Amount due from related parties	2,151,410	1,489,087	-	-
Less: Allowance for doubtful debts	(799,491)	-	(799,491)	-
	5,201,846	4,304,863	4,112,107	3,949,636
Total trade and other receivables	6,285,848	5,253,204	4,112,107	3,949,636

The trade receivables are unsecured, interest-free and subject to normal credit terms ranging from 30 - 60 days (2020: 30 - 60 days).

This amount due from shareholders mainly pertains to subscriptions from shareholders not received as of the reporting date, interest-free, unsecured and repayable on demand.

The amount due from related parties are interest-free, unsecured and repayable on demand.

Deposits consist of rental deposits for restaurant.

Prepayments consist of advances made to suppliers and cost of initial public offer.

Trade and other receivables are denominated in the following currency as at the reporting date:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Singapore Dollars	5,531,927	3,472,650	-	-
United States Dollars	611,626	1,520,825	4,112,107	3,949,636
South African Rand	84,390	129,640	-	-
Indonesia Rupiah	57,905	129,966	-	-
Great British Pounds	-	123	-	-
	6,285,848	5,253,204	4,112,107	3,949,636

17. Inventories

	Group 2021 US$	Group 2020 US$
Food, beverage and merchandise	89,145	102,637
Consumables	3,385	9,906
	92,530	112,543

The cost of inventories recognised as an expense and included in the line item "cost of sales" in the statement of profit or loss and other comprehensive income amounted to US$585,117 (2020: US$182,666).

18. Share capital

	Group 2021 No. of shares	Group 2021 US$	Group 2020 No. of shares	Group 2020 US$
Issued & fully paid:				
At beginning of the financial year	2,692,635	50,335,418	1,623,833	25,542,343
Issue of ordinary shares – Genius Group [(a)]	-	-	53,744	1,989,000
Issue of ordinary shares – Entrepreneur Resorts [(a)]	-	-	-	233,000
Shares issued for conversion of convertible loans – Genius Group [(b)]	-	-	45,665	1,671,188
Shares issued for conversion of convertible loans – Entrepreneur Resorts[(b)]	-	-	-	992,816
Shares issued for acquisition of Entrepreneur Resorts [(d)]	-	-	888,962	30,997,810
Eliminations on acquisition of Entrepreneur Resorts[(e)]	-	-	-	(13,406,502)
Shares issued in satisfaction of a liability[(f)]	-	-	8,167	350,000
Issuance of shares pursuant to share based compensation[(g)]	-	-	72,264	1,050,000
Shares issued for subscriptions receivable[(h)]	-	-	-	915,763
At end of the financial year	2,692,635	50,335,418	2,692,635	50,335,418

	Company 2021 No. of shares	Company 2021 US$	Company 2020 No. of shares	Company 2020 US$
Issued & fully paid:				
At beginning of the financial year	2,692,635	50,335,418	1,623,833	13,361,657
Issue of ordinary shares[(a)]	-	-	53,744	1,989,000
Shares issued for conversion of convertible loans[(b)]	-	-	45,665	1,671,188
Shares issued for acquisition of Entrepreneur Resorts[(c)]	-	-	888,962	30,997,810
Shares issued in satisfaction of a liability[(d)]	-	-	8,167	350,000
Issuance of shares pursuant to share based compensation [(e)]	-	-	72,264	1,050,000
Shares issued for subscriptions receivable[(f)]	-	-	-	915,763
At end of the financial year	2,692,635	50,335,418	2,692,635	50,335,418

18. Share capital (Continued)

(a) During the financial year 2020, the Company issued 53,744 shares for the cash consideration of US$2,222,000 to the shareholders.

Month	Number of shares	Amount (US$)
January	4,752	160,000
February	4,575	155,033
March	2,438	85,000
April	716	25,000
May*	-	233,000
June	2,300	80,230
July	15,471	539,461
August	3,040	106,021
September	20,452	838,255

*Entrepreneur Resorts issued 111,341 shares in May 2020 for the consideration of $233,000.

(b) During the financial year 2020, the Company converted the convertible loans of US$2,664,004 by issuing 45,665 shares of the Company to the holder of convertible loans:

Month	Number of shares	Amount (US$)
May*	-	992,816
July	23,102	805,531
August*	12,682	442,184
September*	9,473	405,973
October	58	2,500
November	350	15,000

*Deemed to be Entrepreneur Resorts issued 496,406 shares in May 2020 for the consideration of $992,816.

(c) During July 2020, the Company acquired Entrepreneur Resorts by offering the shares of the Company to the shareholders of Entrepreneur Resorts, 888,962 shares were issued for the consideration of US$30,997,810 for the acquisition.

(d) In September 2020, the Company also issued 8,167 shares in satisfaction of liability to Tau Game Lodge for the net consideration of US$350,000.

(e) The Company issued shares to the employees for the share based compensation granted to employees and share option reserve has been transferred to share capital account upon to the issuance of shares.

(f) The Company issued shares but the consideration has yet to be received.

19. Reserves

Merger reserves

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired under common control which is accounted for under “merger accounting”.

Foreign currency translation reserve

The currency translation reserve records exchange differences arising from the translation of financial statements of foreign entities whose functional currencies are different from that of the Group’s presentation currency.

Share option reserve

On 1 January 2018 (the “Date of Grant”), the Group has adopted the Share Options Plan 2018 (the “Plan 1"), the Company has granted 160,000 share options under the Plan 1 to its employees, with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2019 (the “Date of Grant”), the Group has adopted the Share Options Plan 2019 (the “Plan 2”), the Company has granted 42,913 share options under the Plan 2 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2020 (the “Date of Grant”), the Group has adopted the Share Options Plan 2020 (the “Plan 3”), the Company has granted 12,440 share options under the Plan 3 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

On 1 January 2020 (the “Date of Grant”), the Group has adopted the Share Plan 2020 (the “Plan 4”), the Company has granted 3,000 shares under the Plan 4 to its board of advisors 3,000 shares (unvested and unissued) remain outstanding by the financial year end.

On 1 January 2020 (the “Date of Grant”), the Group has adopted the Share Plan 2020 (the “Plan 5”), the Company has granted 12,238 shares under the Plan 5 to its employees. The shares will be issued after the successful Initial Public Offering of the company. 12,238 shares (unvested and unissued) remain outstanding by the financial year end.

On 1 January 2021 (the “Date of Grant”), the Group has adopted the Share Options Plan 2021 (the “Plan 6”), the Company has granted 29,862 share options under the Plan 6 to its employees with vesting period of 2 years and remain outstanding by the financial year end.

The purpose of the schemes was to provide an opportunity for directors, employees, and advisers of the Group to participate in the equity of the Group so as to motivate them to greater dedication, loyalty and higher standards of performance. The Plans are administered by the Board of Directors.

19. Reserves (Continued)

Share option reserve

The difference between the Group's and the Company's share option reserve is due to the existence of deemed capital injection at the Company level. This is due to the Company issuing Entrepreneur Resorts's share to the Company's employees prior to the business combination under common control in FY2020. This issuance of share is thus classified as deemed capital injection.

Details of share options at the end of the financial year are shown below:

Scheme Plan	Date of grant	Balance as at 1 January 2021 US$	Granted US$	Exercised US$	Lapsed or expired US$	Balance as at 31 December 2021 US$	Exercise price per share US$
Plan 1	1/1/2018[1]	58,043	-	-	-	58,043	1.24
Plan 2	1/1/2019	193,555	-	-	-	193,555	21.34
Plan 3	1/1/2020	50,649	50,866	-	-	101,515	34.87
Plan 4	1/1/2020[2]	104,610	-	-	-	104,610	34.87
Plan 5	1/1/2020[2]	138,152	75,434	-	-	213,586	34.87
Plan 6	1/1/2021	-	167,537	-	-	167,537	34.87
		545,009	293,837	-	-	838,846	

[1] Plan 1 is issuance of share options of Entrepreneur Resorts to the Company's employees, thus it pertains to be deemed capital injection at company level.
[2] Plan 4 and 5 deemed to be shares of the Company granted to the employees with fair value of the most recent transaction price as of grant date.

Fair value of share options granted

The fair value of the share options granted under Plan 1, Plan 2, Plan 3 and Plan 6 is calculated using the Black-Scholes option pricing model at the grant date using the following assumptions:

	Plan 1 2018	Plan 2 2019	Plan 3 2020	Plan 6 2021
Fair value at grant date	0.3808	4.9027	8.1777	12.6911
Share price at grant date	1.30	21.34	34.87	34.87
Exercise price	1.30	21.34	34.87	34.87
Expected volatility	50.00%	39.00%	42.00%	66.00%
Expected dividends	0%	0%	0%	0%
Risk-free interest rate	2.28%	1.58%	0.13%	0.73%

19. Reserves (Continued)

Share option reserve (Continued)

Fair value of share and share options granted

The effect of the employee share-based payment plans on the profit and loss accounts is as follows:

	Group	
	2021 US$	2020 US$
Total employee compensation cost pertaining to share-based payment plans	293,837	398,606

20. Other reserves

Other reserves relate to a put option that will require the Company to repurchase its shares for US$250,000 if the option holder exercises (Note 27).

On 30 September 2022, the Company had paid US$250,000 to repurchase its shares.

21. Borrowings

	Group	
	2021 US$	2020 US$
Bank loan		
Current portion	65,415	65,611
Non-current portion	85,858	157,629
	151,273	223,240

The Group's bank loans are denominated in SGD as at reporting date.

The banking facilities are secured by a personal guarantee from all directors of Wealth Dynamics Pte. Ltd.

The effective interest rates per annum are 6.25% to 8.88% (2020: 6.25% to 8.88%).

22. Amount due to subsidiaries

The amount owing to subsidiaries is non-trade in nature, unsecured, interest-free, repayable on demand.

23. Amount due to related parties

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Current portion	425,552	589,502	348,000	420,676

The amount due to related parties is non-trade in nature, unsecured, interest-free, repayable on demand.

The Group's and Company's amount due to related parties are denominated in the following currencies as at the reporting date:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Singapore Dollars	425,552	589,502	-	-
United States dollars	-	-	348,000	420,676
	425,552	589,502	348,000	420,676

24. Convertible loans

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Non-current				
Convertible loan A	766,245	982,719	766,245	982,719
Convertible loan B	-	548,920	-	-
	766,245	1,531,639	766,245	982,719
Current				
Convertible loan B	507,765	-	-	-
Convertible loans	1,274,010	1,531,639	766,245	982,719

24. Convertible loans (Continued)

The Group has the following convertible loans:

(i) Convertible loan A amounting to US$1,819,145 issued by the Genius Group Limited on 31 December 2020 with a term of 36-month with an equity conversion feature which enables the loan holder to convert the loan to ordinary shares of the Group if there is an equity financing or there is a change of control of the Group before or upon the maturity of the convertible loan agreement. The convertible loan A bears compounded interest at rates between 10% to 12% per annum, payable quarterly, annually or at maturity depending upon the convertible loan (the "2020 Convertible Notes").

(ii) Convertible loan B amounting to US$2,256,178 net of deferred debt discount issued by Entrepreneur Resorts on 31 December 2019 with a term of 36-month with an equity conversion feature which enables the loan holder to convert the loan to ordinary shares of the Group if there is an equity financing or there is a change of control of the Group before or upon the maturity of the convertible loan agreement. The convertible loan B bears compounded interest at rates between 10% to 12% per annum, payable quarterly, annually or at maturity depending upon the convertible loan (the "2019 Convertible Loans").

Group	2021 US$	2020 US$
Convertible loan note A and B		
Balance at the beginning of the year	1,531,639	1,918,340
Net proceeds from issue of convertible loans	-	1,819,145
Reversal of deferred debt discount [(a)]	-	337,838
Transaction cost	-	99,195
Amount converted to equity	(214,776)	(2,664,004)
Exchange differences	(42,853)	21,125
Carrying amount at the end of the financial year	1,274,010	1,531,639

(a) The convertible loans are convertible upon Entrepreneur Resorts listing on the Australian Stock Exchange at a price equal to 70% of the initial listing price on the Australian Stock Exchange. The Company bifurcated the conversion option as a derivative liability with a fair value of US$337,838 during financial year 2019, with a debit to deferred debt discount. Since the listing did not materialise, the amount has been reversed out during financial year 2020.

Company	2021 US$	2020 US$
Convertible loan A		
Balance at the beginning of the year	982,719	-
Net proceeds from issue of Convertible loans	-	1,819,145
Amount converted to equity	(161,500)	(1,671,188)
Reversal of deferred debt discount	-	783,735
Exchange differences	(54,974)	51,027
Carrying amount at the end of the financial year	766,245	982,719

25. Deferred tax liabilities

Movements in tax effects of temporary differences during the year are as follows:

	Group 2021 US$	Group 2020 US$
At beginning of year	(875,425)	(736,645)
Credit/(Charge) to profit or loss (Note 8)	152,303	(138,780)
At end of year	(723,122)	(875,425)

The deferred tax liabilities arise as a result of:

Group	Provision and accelerated depreciation US$	Tax losses US$	Provision arising from acquisition US$	Total US$
At 1 January 2020	93,398	174,962	(1,005,005)	(736,645)
(Charge)/Credit to profit or loss	-	(174,962)	36,182	(138,780)
At 31 December 2020	93,398	-	(968,823)	(875,425)
Credit to profit or loss	23,451	-	128,852	152,303
At 31 December 2021	116,849	-	(839,971)	(723,122)

Deferred tax liabilities principally arise as a result of excess of carrying amount over tax written down value of property and equipment.

26. Trade and other payables

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Trade payables				
Third parties	1,365,715	144,226	-	28,411
Other payables				
Other payables	84,674	677,594	136,591	28,116
Accrued expenses	1,883,004	1,464,187	347,952	180,830
VAT and other tax payable	99,037	132,639	72	-
Sundry payables	110,098	144,226	-	-
Trade and other payables	3,542,528	2,562,872	484,615	237,357

Trade payables are non-interest bearing and the average credit period on purchases of goods is 30 - 60 days (2020: 30 - 60 days) according to the terms agreed with the suppliers.

Accrued expenses mainly consist of accrued operating expenses.

Trade and other payables are denominated in the following currencies as at the reporting date:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Singapore Dollars	1,607,873	968,910	-	-
South African Rand	1,368,751	1,307,515	-	-
United States Dollars	432,154	27,905	484,615	237,357
Indonesia Rupiah	133,750	258,542	-	-
	3,542,528	2,562,872	484,615	237,357

27. Financial liabilities

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Put option	250,000	250,000	250,000	250,000

In 2017, the Company purchased shares of Tau Game Lodge Proprietary Limited for a consideration of US$4,000,000, settled by payment of US$2,500,000 in cash and through the issuance of an unsecured loan in the amount of US$1,500,000. During the year ended 31 December 2020, the outstanding balance of the loan is US$600,000. The Company settled the balance by payment of US$250,000 in cash and through the issuance of share capital valued at US$350,000. As part of the agreement, a put option was granted which, if exercised, will require the Company to buy back the issued shares for US$250,000. The put option will expire upon the end of a lock up period of 6 months after the Group's initial public offering. This amount is recorded as a financial liability.

On 30 September 2022, the Company had paid US$250,000 to repurchase its shares.

The Group's and Company financial liabilities are denominated in US$ as at reporting date.

28. Contract liabilities

	Group	
	2021 US$	2020 US$
Advance consideration	1,960,811	1,546,712

Advance consideration relates to advances received for educational revenue and other income. Booking for lodges and educational revenue are recognised at point in time. A contract liability is recognised for the advances received from the customers and is derecognised as and when the performance obligation is satisfied.

For 2021, the Group recognised US$1,546,712 (2020: US$2,905,691) that was included in the deferred revenue balance at the beginning of the financial year.

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations and expected to be realised within one year.

29. The Group as a lessee

The Group leases its building, offices and leased properties under three to ninety-nine years lease arrangement, with one to three year extension on the lease after that date. Lease payments are made monthly and annually as per agreement.

Recognition exemptions

The Group has certain office equipment with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of use assets and lease liabilities.

29. The Group as a lessee (Continued)

Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within property and equipment are as follows:

Group	Building US$	Office US$	Leasehold land US$	Total US$
Cost				
At 1 January 2020	1,378,312	58,412	992,410	2,429,134
Exchange differences	6,659	(2,008)	(43,658)	(39,007)
At 31 December 2020	1,384,971	56,404	948,752	2,390,127
Addition	-	-	-	-
At 31 December 2021	1,384,971	56,404	948,752	2,390,127
Accumulated depreciation				
At 1 January 2020	(181,357)	-	(53,704)	(235,061)
Depreciation	(426,015)	(1,680)	(47,201)	(474,896)
Exchange differences	7,954	(3,099)	(21,144)	(16,289)
At 31 December 2020	(599,418)	(4,779)	(122,049)	(726,246)
Depreciation	(437,053)	(18,368)	(52,268)	(507,689)
Exchange differences	(14,042)	468	(65,377)	(78,951)
At 31 December 2021	(1,050,513)	(22,679)	(239,694)	(1,312,886)
Carrying amount				
At 31 December 2021	334,458	33,725	709,058	1,077,241
At 31 December 2020	785,553	51,625	826,703	1,663,881

The total cash outflow for leases of the Company during the financial year ended 31 December 2021 is US$552,433 (2020: US$420,675).

Lease liabilities

	Group 2021 US$	Group 2020 US$
Lease liabilities – non-current	894,589	1,307,932
Lease liabilities – current	436,271	545,132
	1,330,860	1,853,064

29. The Group as a lessee (Continued)

Amount recognised in profit or loss

	2021 US$	2020 US$
Expense relating to short-term leases	65,485	144,423
Interest expense on lease liabilities	132,879	131,291

30. Significant related party transactions

A related party is defined as follows:

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

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated. Amount due from related parties are set out in Note 16.

30. Significant related party transactions (Continued)

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions with related parties:

	Group 2021 US$	Group 2020 US$
Other income		
Gain on sales of equity investment to related party	-	801,438

	Company 2021 US$	Company 2020 US$
Revenue		
Program fees from subsidiaries, net	234,659	222,636

Key management personnel compensation is as follows:

	Group 2021 US$	Group 2020 US$	Company 2021 US$	Company 2020 US$
Director's salary and bonus	902,608	930,962	419,766	73,991

31. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risks (including foreign currency risks and interest rate risks) and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Director is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Director.

There have been no changes to the Groups exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables and other debt instruments carried at amortised cost. Bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

31. Financial instruments and financial risks (Continued)

Credit Risk (Continued)

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per FRS 109's presumption.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks [Note 1]	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 90 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition [Note 2] or financial asset is > 90 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired [Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount [Note 4]	Written off

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

31. Financial instruments and financial risks (Continued)

Credit Risk (Continued)

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amount subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

31. Financial instruments and financial risks (Continued)

Credit Risk (Continued)

Trade and other receivables (Note 16)

The Group uses the practical expedient under FRS 109 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade and other receivables are based on adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables.

Trade and other receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

	Current US$	Past due for 31 to 90 days US$	Past due for 91 to 180 days US$	Past due for 181 to 365 days US$	Past due more than 365 days US$	Total US$
31 December 2021						
Weighted average expected credit loss rates	0%	0%	0%	91%	0%	
Trade receivables (gross)	969,388	50,610	51,495	135,189	-	1,206,682
Loss allowance	-	-	-	122,680	-	122,680
31 December 2020						
Weighted average expected credit loss rates	0%	25%	50%	50%	70%	
Trade receivables (gross)	786,015	65,589	33,616	143,993	80,916	1,110,129
Loss allowance	-	16,343	16,808	71,996	56,641	161,788

Allowance made are related to debtors with significant financial difficulties. The management estimated the irrecoverable amount by reference to past default experience. If repeated reminders and letters of demand to settle overdue payments fail to yield results, the Group will make allowances or write off the debts on a case-by-case basis.

Other receivables and deposits paid (Note 16)

As of 31 December 2021, the Group recorded deposit of US$210,010 (2020: US$226,189). In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for the outlook of the industry and economy in which these debtors operate in and the factors that are specific to the debtors in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Using 12-month ECL, the Group determined that the ECL is insignificant.

Amount due from related parties and shareholders (Note 16)

As of 31 December 2021, the Group recorded amount due from related parties and amount due from shareholders amounting to US$2,151,410 (2020: US$1,489,087) and US$467,568 (2020: US$1,267,059) respectively. The Group assessed the impairment loss allowance of these amount on a lifetime ECL basis consequent to their assessment and conclusion that there is insignificant in credit risk for these receivables. In its assessment of the credit risk of the related party, the Group considered amongst other factors, the financial position of the related party as of 31 December 2021, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the related party operates in. During the financial year ended 31 December 2021, using lifetime ECL, the Group determined that the ECL is insignificant.

31. Financial instruments and financial risks (Continued)

Credit Risk (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables and other receivables are as follows:

	Trade receivables		Other receivables	
Internal credit risk grading	**Note (i) US$**	**Total US$**	**Category 4 US$**	**Total US$**
Loss allowance				
Balance at 31 December 2020	161,788	161,788	-	-
Reversal of impairment loss	(39,108)	(39,108)	-	-
Net remeasurement of loss allowance	-	-	799,491	799,491
Balance at 31 December 2021	122,680	122,680	799,491	799,491
Gross carrying amount				
At 31 December 2021	1,206,682	1,206,682	3,628,479	3,628,479
At 31 December 2020	1,110,129	1,110,129	2,982,335	2,982,335
Net carrying amount				
At 31 December 2021	1,084,002	1,084,002	2,828,988	2,828,988
At 31 December 2020	948,341	948,341	2,982,335	2,982,335

For trade receivables, the Group uses the practical expedient under FRS 109 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risks, including foreign currency forward contracts to hedge against foreign currency risk and interest rate swaps to mitigate the risk of rising interest rates.

Foreign Currency Risk

The Company is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents, and liabilities that are denominated in currencies other than the functional currencies of the Company. As at the reporting date, the Company do not have significant foreign currency risk exposure except for the financial assets denominated in Singapore Dollar ("SGD").

31. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign Currency Risk (Continued)

The carrying amount of the Group's and the Company's foreign currency denominated monetary assets as at the end of the financial year are as follows:

	SGD US$
Group	
2021	
Financial assets	
Financial assets at FVTOCI	29,069
Deposits	516,296
Trade and other receivables	3,343,818
Cash and cash equivalents	398,487
Financial liabilities	
Lease liabilities	(324,269)
Borrowings	(151,273)
Amount due to related parties	(425,551)
Convertible loans	(1,274,010)
Trade and other payables	(1,607,873)
Net currency exposure	504,694
2020	
Financial assets	
Financial assets at FVTOCI	29,076
Deposits	516,296
Trade and other receivables	1,045,333
Cash and cash equivalents	1,025,361
Financial liabilities	
Lease liabilities	(777,827)
Borrowings	(223,240)
Amount due to related parties	(589,502)
Convertible loans	(982,719)
Trade and other payables	(936,790)
Net currency exposure	(894,012)

31. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign Currency Risk (Continued)

The carrying amount of the Group's and the Company's foreign currency denominated monetary assets as at the end of the financial year are as follows: (Continued)

	SGD US$
Company	
2021	
Financial assets	
Cash and cash equivalents	2,338
Net currency exposure	2,338
2020	
Financial assets	
Cash and cash equivalents	239,062
	239,062
Financial liabilities	
Amount due to subsidiaries	(490,868)
Net currency exposure	(251,806)

Foreign exchange risk sensitivity

A 5% strengthening of the foreign currencies against the United States dollars at the reporting date would increase/(decrease) profit before tax by the amount shown below:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
SGD	25,235	(44,701)	117	(12,590)

A 5% weakening of the foreign currencies against the United States dollars at the reporting date would have the equal but opposite effect, on the basis that all other variables remain constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessments of the possible changes in foreign exchange rate.

31. Financial instruments and financial risks (Continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group has no significant exposure to interest rate risk.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Financial liabilities with interest				
Fixed rates				
As at 31 December	151,273	223,240	-	-

The interest rates are disclosed in the Note 21.

The Group's profit and loss and equity are not affected by the changes in interest rates as the interest-bearing instruments carry fixed interest and are measured at amortised cost.

Liquidity Risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

31. Financial instruments and financial risks (Continued)

Liquidity Risk (Continued)

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments.

Group	Effective interest rate %	1 year or less US$	2 to 5 years US$	Total US$
Undiscounted financial assets				
Financial assets at FVTOCI	-	-	29,069	29,069
Deposits	-	-	516,296	516,296
Trade and other receivables (excluding prepayment)	-	3,912,990	-	3,912,990
Cash and cash equivalents	-	1,784,938	-	1,784,938
As at 31 December 2021		5,697,928	545,365	6,243,293
Undiscounted financial liabilities				
Lease liabilities	11.25%	(552,976)	(1,113,470)	(1,666,446)
Borrowings	6.25% - 8.88%	(98,587)	(122,530)	(221,117)
Amount due to related parties	-	(425,552)	-	(425,552)
Convertible loans	10.00% - 12.00%	(586,810)	(815,764)	(1,402,574)
Trade and other payables (excluding VAT and other tax payable)	-	(3,567,009)	-	(3,567,009)
Financial liabilities	-	(250,000)	-	(250,000)
As at 31 December 2021		(5,480,934)	(2,051,764)	(7,532,698)
Total undiscounted net asset/(liabilities)		216,994	(1,506,399)	(1,289,405)

31. Financial instruments and financial risks (Continued)

Liquidity Risk (Continued)

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments. (Continued)

Group	Effective interest rate %	1 year or less US$	2 to 5 years US$	Total US$
Undiscounted financial assets				
Financial assets at FVTOCI	-	-	29,076	29,076
Deposits	-	-	516,296	516,296
Trade and other receivables (excluding prepayment)	-	3,930,676	-	3,930,676
Cash and cash equivalents	-	2,273,151	-	2,273,151
As at 31 December 2020		6,203,827	545,372	6,749,199
Undiscounted financial liabilities				
Lease liabilities	11.25%	(1,979,810)	(1,211,297)	(3,191,107)
Borrowings	3.34% - 4.76%	(81,771)	(167,247)	(249,018)
Amount due to related parties	-	(589,502)	-	(589,502)
Convertible loans	10.00% - 12.00%	(159,087)	(1,714,596)	(1,873,683)
Trade and other payables (excluding VAT and other tax payable)	-	(2,430,233)	-	(2,430,233)
Financial liabilities	-	(250,000)	-	(250,000)
As at 31 December 2020		(5,490,403)	(3,093,140)	(8,583,543)
Total undiscounted net asset/(liabilities)		713,424	(2,547,768)	(1,834,344)

Company	Effective interest rate %	1 year or less US$	2 to 5 years US$	Total US$
Undiscounted financial assets				
Financial assets at FVTOCI	-	-	28,698	28,698
Deposits	-	-	516,296	516,296
Trade and other receivables (excluding prepayment)	-	2,488,226	-	2,488,226
Cash and cash equivalents	-	103,876	-	103,876
As at 31 December 2021		2,592,102	544,994	3,137,096
Undiscounted financial liabilities				
Amount due to subsidiaries	-	(2,727,646)	-	(2,727,646)
Amount due to related parties	-	(348,000)	-	(348,000)
Convertible loans	10.00% - 12.00%	(23,605)	(845,290)	(868,895)
Trade and other payables (excluding VAT and other tax payable)	-	(484,543)	-	(484,543)
Financial liabilities	-	(250,000)	-	(250,000)
As at 31 December 2021		(3,833,794)	(845,290)	(4,679,084)
Total undiscounted net liabilities		(1,241,692)	(300,296)	(1,541,988)

31. Financial instruments and financial risks (Continued)

Liquidity Risk (Continued)

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted payments. (Continued)

Company	**Effective interest rate %**	**1 year or less US$**	**2 to 5 years US$**	**Total US$**
Undiscounted financial assets				
Financial assets at FVTOCI	-	-	28,698	28,698
Deposits	-	-	516,296	516,296
Trade and other receivables (excluding prepayment)	-	3,343,339	-	3,343,339
Cash and cash equivalents	-	413,467	-	413,467
As at 31 December 2020		3,756,806	544,994	4,301,800
Undiscounted financial liabilities				
Amount due to subsidiaries	-	(490,868)	-	(490,868)
Amount due to related parties		(420,676)	-	(420,676)
Convertible loans	10.00% - 12.00%	(97,695)	(1,153,608)	(1,251,303)
Trade and other payables (excluding VAT and other tax payable)	-	(237,357)	-	(237,357)
Financial liabilities	-	(250,000)	-	(250,000)
As at 31 December 2020		(1,496,596)	(1,153,608)	(2,650,204)
Total undiscounted net asset/(liabilities)		2,260,210	(608,614)	1,651,596

31. Financial instruments and financial risks (Continued)

Liquidity Risk (Continued)

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Financial assets at FVTOCI	29,069	29,076	28,698	28,698
Financial assets measured at amortised cost				
Deposits	516,296	516,296	516,296	516,296
Trade and other receivables (excluding prepayment)	3,912,990	3,930,676	2,488,226	3,343,339
Cash and cash equivalents	1,784,938	2,273,151	103,876	413,467
	6,243,293	6,749,199	3,137,096	4,301,800
Financial liabilities measured at amortised costs				
Lease liabilities	1,330,860	1,853,064	-	-
Borrowings	151,273	223,240	-	-
Amount due to subsidiaries	-	-	2,727,646	490,868
Amount due to related parties	425,552	589,502	348,000	420,676
Convertible loans	1,274,010	1,531,639	766,245	982,719
Trade and other payables (excluding VAT and other tax payable)	3,443,491	2,430,233	484,543	237,357
Financial liabilities	250,000	250,000	250,000	250,000
	6,875,186	6,877,678	4,576,434	2,381,620

32. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, borrowings, current trade and other receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Valuation policies and procedures

The Group's Chief Financial Officer ("CFO") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

It is the Group's policy that where assessed necessary by the local management, the Group would engage experts to perform significant financial reporting valuations. The CFO is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

He also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

During the financial year, there is no change in the applicable valuation techniques.

33. Subsequent Events

(a) Convertible loans

(i) On 15 March 2022, convertible loans consisting of US$229,237 of principal and accrued interest were converted into 38,206 shares of the Company pursuant to conversion offers extended by the Company.

(ii) During the financial year 2022, Entrepreneur Resorts Limited had repaid to 16 individual holders of the convertible loans amounting to US$503,311 pursuant to the convertible loan agreement. The convertible loans were repaid via US$503,311 in cash.

(iii) On 26 August 2022, Genius Group Limited entered into a Securities Purchase Agreement to issue a convertible loan with a principal amount of US$18,130,000 in face amount of a senior secured convertible note purchased for US$17,000,000.

(iv) In relation to the conversion request, company has issued 22,403,323 for the aggregate amount of US$7,016,393 including the principal conversion of US$6,010,160 and the interest of US$1,006,233 during the year 2022 and 2023. Subsequently, the Company had repaid principal amount of US$2,004,822 and interest of US$351,027 in cash during the financial year 2022 and 2023.

(v) On 29 March 2023, Genius Group Limited and Ayrton Capital amended the convertible debt agreement as follows:

The Company will make the remainder of monthly payments it owes on the US$18.0 million convertible note in cash over time, to ensure no further dilution of shares. As such, the Company will not be subject to any future installment-related accelerations at a variable price from the note, unless consented to by the Company.

The Company will deliver to Ayrton Capital, 13.0 million ordinary shares relating to the redemption of convertible notes due for the period from January 2023 to March 2023.

Ayrton Capital released the remaining restricted cash held in deposit to the Company during April 2023.

(b) Shares issued for cash

During the financial year 2022, GeniusU Limited raised funds amounting to US$2,655,739 through issuing new shares to 125 individual investors. 108,888 shares were issued at US$24.39 per share. Subsequent to the issuance of these new shares, the group's non-controlling interest increased to 3.45% in GeniusU Limited.

(c) Initial Public Offering

On 12 April 2022, the Company consummated its initial public offering on the NYSE American (ticker: GNS) through an issuance of 3,763,636 ordinary shares with a gross value of $22,581,816 from the IPO proceeds. The company also raised cash proceed of $270,476 from the share issuance during the IPO.

33. Subsequent Events (Continued)

(d) Business combinations

On 30 April 2022, the Company acquired 100% shareholding in Education Angels in Home Childcare Limited for a consideration of NZ$3 million (US$1,939,281) of the Company's ordinary shares.

On 30 April 2022, the Company acquired 100% shareholding in Property Investment Network Ltd for a consideration of GBP3,515,770 (US$4,596,517). The consideration is paid by way of cash consideration of GBP351,577 and ordinary shares of the Company amounting to GBP 3,164,193.

On 30 April 2022, the Company acquired 100% shareholding in Mastermind Principles Ltd for a consideration of GBP11,101,638 (US$14,514,282). The consideration is paid by way of cash consideration of GBP1,110,164 and ordinary shares of the Company amounting to GBP9,991,474.

On 31 May 2022, the Company acquired 100% shareholding in E-squared Education Enterprises (Pty) Ltd. for a cash consideration of ZAR 10,000,000 (US$644,170).

On 7 July 2022, the Company acquired 100% shareholding in University of Antelope Valley, LLC for a consideration of US$6,000,000 of the Company ordinary shares.

As of the date of the financial statements, the initial accounting for the business combinations are incomplete and being assessed by the Group.

On 31 December 2022, and prior to the issuance of these financial statements, shareholders have passed the resolution to authorise the spinoff of its subsidiary Entrepreneur Resorts Ltd (ERL) and adoption of new Company constitution. ERL is a public listed company on the Seychelles MERJ Stock Exchange, with 95% of outstanding shares owned by Genius Group.

(e) Shareholders Resolution for Share Consolidation and Share Buyback

Subsequent to 31 December 2022, and prior to the issuance of these financial statements, shareholders have passed the resolution to authorise board to execute a share repurchase mandate and to execute a share consolidation as they deem fit.

34. Capital management policies and objectives

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of equity attributable to the equity owner of the Company and this comprises issued capital and accumulated profits as disclosed in the statement of changes in equity. There has been no significant change in the overall strategy from 31 December 2020.

Management monitors capital based on a gearing ratio of less than one. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables (excluding VAT and other tax payable), convertible loans, and lease liabilities less cash and cash equivalents. Total capital is calculated as total equity as shown in the statements of financial position, plus net debt.

	Group		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Total debts	6,199,634	6,038,176	1,250,788	1,220,076
Less:				
Cash and cash equivalents (Note 15)	(1,784,938)	(2,273,151)	(103,876)	(413,467)
Net debts/(assets)	4,414,696	3,765,025	1,146,912	806,609
Total equity	7,377,711	10,227,554	26,297,332	45,900,322
Total capital	11,792,407	13,992,579	27,444,244	46,706,931
Gearing ratio	0.37	0.27	0.04	0.02

The Group is not subject to any capital requirement for the financial years ended 31 December 2021 and 2020.

35. Contingent liabilities, unsecured

As at 31 December 2021, the Company had given undertakings to Wealth Dynamics Pte Ltd, Talent Dynamics Pathway Ltd, Entrepreneur Resorts Limited, Tau Game Lodge Pty Ltd, Matla Game Lodge Pty Ltd, PT XL Bali Vision Villa, and Genius Central Singapore Pte Ltd to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the financial year end.