

Financial statements

Playeum Ltd

**(A public company limited by guarantee and not
having a share capital)**

For the financial year ended 31 March 2019

Company information

Company registration number	UEN 201333807K
Registered office	273 Thomson Road #02-03 Novena Gardens Singapore 307644
Place of business	47 Malan Road Gillman Barracks Singapore 109444
Directors	Irene Liu Jaelle Ang Ker Tjia Loh Nee Sian Petrina Kow Wei Shih Sumitra Pasupathy Susan Carol Adams Toh Wee Boon, Leon (Appointed on 1 January 2019) Charlotte Goh Shu-Lyn (Appointed on 25 April 2019)
Principal banker	DBS Bank Ltd
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Ang Soh Mui

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Directors' statement

for the financial year ended 31 March 2019

The directors submit this statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2019.

In our opinion:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019, and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50, the Charities Act, Cap. 37 and Singapore Financial Reporting Standards;
- (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; and
- (c) nothing came to our attention to cause us to believe that the Company did not comply with the Regulation 15 of the Charities (Institution of a Public Character) Regulations and the donation monies have not been used in accordance with the objectives of the Company as an Institution of a Public Character.

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

Names of directors

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

Irene Liu
Jaelle Ang Ker Tjia
Loh Nee Sian
Petrina Kow Wei Shih
Sumitra Pasupathy
Susan Carol Adams
Toh Wee Boon, Leon (Appointed on 1 January 2019)
Charlotte Goh Shu-Lyn (Appointed on 25 April 2019)

Directors' interests

The Company has no share capital and its liability is limited by guarantee.

Neither at the end of, nor at any time during the financial year ended 31 March 2019, was the Company a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body.

Share options

The Company is limited by guarantee and has not issued any share options.

Independent auditor

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On Behalf of the Directors



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IRENE LIU



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SUSAN CAROL ADAMS

Dated: 3 September 2019

Independent auditor's report to the members of Playeum Ltd

Report on the financial statements

Opinion

We have audited the financial statements of Playeum Ltd (the "Company") which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the Charities Act, Cap. 37 and Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises all information included in the directors' statement but does not include the financial statements and our auditor's report thereon.

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

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

Independent auditor's report to the members of Playeum Ltd (Cont'd)

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent auditor's report to the members of Playeum Ltd (Cont'd)

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing came to our attention to cause us to believe that:

- (a) the use of donation moneys was not in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

FOOKONTANLLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 3 September 2019

Statement of financial position

as at 31 March 2019

	Note	2019 \$	2018 \$
ASSETS			
Non-current assets			
Plant and equipment	3	43,046	63,977
		43,046	63,977
Current assets			
Trade and other receivables	4	42,847	41,985
Cash and cash equivalents	5	155,990	300,766
		198,837	342,751
Total assets		241,883	406,728
Funds			
Share capital	6	-	-
General operating fund	7	60,235	298,677
Total funds		60,235	298,677
LIABILITIES			
Non-current liabilities			
Provision for restoration costs	8	30,000	29,820
		30,000	29,820
Current liabilities			
Trade and other payables	9	138,777	48,544
Contract liabilities	10	12,871	29,687
		151,648	78,231
Total liabilities		181,648	108,051
Total funds and liabilities		241,883	406,728

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

Statement of comprehensive income for the financial year ended 31 March 2019

		General Operating Fund	
	Note	2019 \$	2018 \$
INCOME			
Programme income		31,699	133,473
Ticketing income		314,202	302,894
Teachers training		116,005	52,710
Space design		5,800	42,451
General donations	11	114,649	57,291
Grant income	12	128,569	260,836
Fund-raising project	13	-	17,100
Other income		7,246	2,239
	14	718,170	868,994
EXPENDITURE			
Professional fee		39,488	36,751
Advertisement expenses		45,411	43,117
Bank charges		1,857	1,847
Depreciation of plant and equipment	3	31,765	39,114
Event management expenses		143,111	133,213
Fund-raising expenses		-	4,051
Insurance		1,651	1,528
Production and material costs		8,848	13,490
Miscellaneous expense		14,134	12,895
Office supplies expenses		31,539	38,341
Operating lease expenses		113,908	89,047
Repairs and maintenance expenses		7,871	21,226
Staff costs	15	427,321	389,237
Subcontracting expenses		83,478	66,675
Training costs		672	413
Transaction fees		4,044	1,541
Travelling expenses		1,334	1,302
Unwinding interest on provision for restoration costs	8	180	650
		956,612	894,438
Loss before income tax		(238,442)	(25,444)
Income tax expense	16	-	-
Loss for the year, representing total comprehensive surplus for the year		(238,442)	(25,444)

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

Statement of changes in equity

for the financial year ended 31 March 2019

	General Operating Fund \$
At 1 April 2017	324,121
Total comprehensive loss for the year	
Loss for the year	(25,444)
Other comprehensive income, at nil tax	-
Total comprehensive loss for the year	(25,444)
At 31 March 2018	298,677
Total comprehensive loss for the year	
Loss for the year	(238,442)
Other comprehensive income, at nil tax	-
Total comprehensive loss for the year	(238,442)
At 31 March 2019	60,235

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

Statement of cash flows

for the financial year ended 31 March 2019

	2019 \$	2018 \$
Cash Flows for Operating Activities		
Loss for the year	(238,442)	(25,444)
Adjustments for:		
Depreciation of plant and equipment (Note 3)	31,765	39,114
Unwinding interest on provision for restoration costs	180	650
Operating (loss)/surplus before working capital changes	(206,497)	14,320
Changes in working capital:		
Changes in trade and other receivables	(862)	1,762
Changes in trade and other payables	(138,221)	(88,095)
Net cash used in from operating activities	(345,580)	(72,013)
Cash Flows for Investing Activities		
Acquisition of plant and equipment	(10,834)	(5,243)
Net cash used in investing activities	(10,834)	(5,243)
Cash Flows for Financing Activities		
Receipts in grants	211,638	58,302
Net cash generated from financing activities	211,638	58,302
Net decrease in cash and cash equivalents	(144,776)	(18,954)
Cash and cash equivalents at beginning of year	300,766	319,720
Cash and cash equivalents at end of year (Note 5)	155,990	300,766

Note:

- (A) The Company does not have any cash flow arising from financing activities except for grant received in advance. Therefore, the Amendments to FRS 7 Statement of Cash Flows effective on beginning or after 1 January 2017 is not applicable.

Notes to the financial statements

for the financial year ended 31 March 2019

1 General information

The financial statements of Playeum Ltd (the “Company”) for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors’ Statement.

Playeum Ltd, a public company limited by guarantee and not having a share capital, was incorporated on 17 December 2013 in the Republic of Singapore.

The registered office of the Company is located at 273 Thomson Road, #02-03 Novena Gardens, Singapore 307644 and the principal place of business is located at 47 Malan Road, Gillman Barracks, Singapore 109444.

The Company is an approved charity organisation under the Charities Act, Cap. 37 on 11 August 2014. It is also an approved Institution of Public Character (“IPC”) under the Income Tax Act, Chapter 134 until 30 November 2019.

The principal activity of the Company is to promote dramatic arts, music and other art activities.

2(a) Basis of preparation

The financial statements have been prepared in accordance with applicable Singapore Financial Reporting Standards (“FRS”), including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company’s functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

Significant accounting estimates, assumptions and judgements

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

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

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates, assumptions and judgements (Cont'd)

Significant judgements in applying accounting policies

Grant income (Note 12)

The management uses judgement to determine the accretion of grant income at each reporting date. The estimates of accretion of grant income are made based on approval by the National Arts Council, Ministry of Culture, Community and Youth, National Council of Social Service, and National Youth Council.

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of plant and equipment (Note 3)

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of plant and equipment at the reporting date was \$43,046 (2018 - \$63,977).

If depreciation on plant and equipment increases/decreases by 10% from management's estimates, the Company's surplus for the year will decrease/increase by approximately \$3,177 (2018 - \$3,911).

Impairment of non-financial assets (Note 3)

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors. The carrying amount of plant and equipment at the reporting date was \$43,046 (2018 - \$63,977).

If the recoverable amount on plant and equipment increases/decreases by 10% from management's estimates, the Company's surplus for the year will increase/decrease by approximately \$4,305 (2018 - \$6,398).

Impairment of loans and receivables

The impairment provisions for loans and receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The carrying amounts of the Company's trade and other receivables at the end of the reporting period are disclosed in Note 4 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Company's allowance for impairment will increase by \$4,043 (2017 - \$3,927).

Provision of restoration cost

The rental of premises at 47 Malan Road is subject to reinstatement upon the lease termination. The Company has extended the lease in 2019 and the extended lease commenced on 1 August 2019 and expires on 31 July 2020.

2(a) Basis of preparation (Cont'd)**Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)****Provision of restoration cost (Cont'd)**

On the basis that the rental of premises may be renewable, the provision for reinstatement of the premises has been estimated up to 31 July 2020 using a risk-free rate of 3.04% (2018 – 2.23%) per annum. In the event that the lease is terminated without any extension, the provision for restoration cost would have been measured with a total expected cost of \$30,000 (2018 - \$30,000) and the surplus for the remaining period of the Company would have been reduced by \$Nil (2018 - \$180).

The Company has recognised a provision for restoration cost for its premises. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove equipment from the site and the expected timing of those costs. The carrying amount of the provision as at 31 March 2019 is disclosed in Note 8 to the financial statements. If the estimated pre-tax discount rate used in the calculation had been 1% higher than the management's estimates, the carrying amount of the provision would have been lower by \$Nil (2018 - \$89).

2(b) Interpretations and amendments to published standards effective in 2018/2019

On 1 April 2018, the Company adopted FRSs and INT FRS that are relevant for application from that date.

Reference	Description
FRS 115	Revenue from Contracts with Customers
Amendments to FRS 115	Clarifications to Revenue from Contracts with Customers
FRS 109	Financial Instruments
Amendments to FRS 40	Transfer of Investment Property

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Company has adopted FRS 115 in its financial statements for the year ended 31 March 2019. There are no significant changes to the basis of revenue recognition for providing services.

There is no significant financing component arising from providing services for the Company.

The Company has changed the presentation of certain amounts in the statement of financial position upon adopting FRS 115:

- Contract liabilities refers to deferred income received in advance which the Company recognises as the income is collected under FRS 115.

Clarifications to Revenue from Contracts with Customers

The amendments to FRS 115 Revenue from Contracts with Customers clarify whether the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. The amendments to FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Company has reassessed their promise to provide services to the customer and there is no material impact.

FRS 109 Financial Instruments

FRS 109 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

2(b) Interpretations and amendments to published standards effective in 2018/2019 (Cont'd)FRS 109 Financial Instruments (Cont'd)

The following assessments have to be made on the basis of facts and circumstances that existed at 1 April 2018.

- The determination of the business model within which a financial asset is held.
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FRS 109 replaces the provision of FRS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition, of financial instruments, and impairment of financial assets. The adoption of FRS 109 Financial Instruments from 1 January 2018 resulted in changes of accounting policies.

Under FRS 109, loss allowances of the Company will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company has the following type of financial assets subject to FRS 109 expected credit loss model:

- Trade and other receivables

The Company was required to revise its impairment methodology under FRS 109 or each of these classes of assets. However, there is no material impact resulting from the adoption of FRS 109.

Amendments to FRS 40 Transfers of Investment Property

Under the amendments to FRS 40 Transfers of Investment Property has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in the Company's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments are effective on 1 January 2018. The Company has reassessed and there is no impact.

2(c) FRS issued but not yet effective

The following are the new or amended FRS and INT FRS issued in 2018 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 116	Leases	1 January 2019
INT FRS 123	Uncertainty over Income Tax Treatments	1 January 2019
FRS 1, FRS 8	Amendments to FRS 1 and FRS 8: Definition of Material	1 January 2020

2(c) FRS issued but not yet effective (Cont'd)FRS 116 Leases

FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Company has adopted FRS 115.

The Company has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Company has office premises and photocopier machines where they are operating leases. The Company expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. This would increase the gearing ratio of the Company. It is currently impracticable to disclose any further information on the known or reasonable estimable impact to the entity's financial statement. Management does not plan to early adopt the above new FRS 116.

INT FRS 123 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

FRS 1, FRS 8 Amendments to FRS 1 and FRS 8: Definition of Material

The amendments clarify that the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in FRSs. Materiality will depend on the nature or magnitude of information and whether it is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary user.

The amendments to FRS 1 and FRS 8 are required to be applied for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively and earlier application is permitted.

2(d) Summary of significant accounting policies**Plant and equipment and depreciation**

All items of plant and equipment are initially recorded at cost less accumulated depreciation and any accumulated impairment losses.

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

Computer equipment	1 years
Office and other equipment	3 years
Furniture and fittings	5 years

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of plant and equipment, if any.

2(d) Summary of significant accounting policies (Cont'd)**Plant and equipment and depreciation (Cont'd)**

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year which it is incurred.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets**Measurement****Initial recognition and measurement**

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

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest" (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)****a) Financial assets (Cont'd)****Measurement (Cont'd)****Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding the asset.

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

The Company's financial assets at amortised cost include trade and other receivables, excluding prepayments.

Fair value through other comprehensive income (debt instruments)

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de- recognised.

The Company does not have any investment in fair value through other comprehensive income (debt instruments).

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)****a) Financial assets (Cont'd)****Measurement (Cont'd)****Subsequent measurement (Cont'd)****Financial assets designated at fair value through OCI (equity instruments)**

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, The Company may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any investment in financial assets designated at fair value through OCI (equity instruments).

Financial assets at fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

The Company does not hold any financial assets at fair value through profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

a) Financial assets (Cont'd)

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) The Company has transferred substantially all the risks and rewards of the asset, or (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade and other receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

a) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprised trade and other payables, excluding deferred income and contract liabilities.

Subsequent measurement

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 109 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

The Company does not have financial liabilities at fair value through profit or loss.

Financial liabilities that are not carried at fair value through profit or loss

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2(d) Summary of significant accounting policies (Cont'd)**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to insignificant risk of changes in value.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Provision for restoration cost

A provision is recognised for the costs expected to be incurred to dismantle, remove and restore the asset upon expiry of the lease agreement. The estimated costs form part of the cost of the plant and equipment and are depreciated over the useful life of the asset.

General operating fund

Income and expenditure relating to the main activities of the Company are accounted for through the General Operating Fund in the statement of comprehensive income.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Directors, Executive Director and Operation Director are considered key management personnel.

Employee benefits**Pension obligations**

The Company contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to defined contribution plans are charged to the statement of income and expenditure in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs the obligations under the contract.

2(d) Summary of significant accounting policies (Cont'd)**Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company.
- (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;
 - (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
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the entity at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill.

Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2(d) Summary of significant accounting policies (Cont'd)**Impairment of non-financial assets (Cont'd)**

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

A reversal of an impairment loss is recognised as income in statement of comprehensive income.

Reserves management

The reserve of the Company is mainly the general operating fund. The Board's objective is to maintain an optimal balance in the general operating fund to support the continuity of the activities of the Company and for future developments. The Board monitors the level of the funds for working capital flexibility.

There were no changes in the Board's approach to reserve management during the year. The Company is not subject to externally imposed capital reserve requirements.

Incoming resources

The Company recognises revenue from contracts with customers based on a five-step model as set out in FRS 115:

- Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties create enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3: Determine the transaction price: The transaction price is the amount of the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4: Allocate the transaction price to the performance obligation in the contract: For a contract that has more in an amount that depicts the amount of consideration to which the Company expects to entitle in exchange for satisfying each performance obligation.
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

2(d) Summary of significant accounting policies (Cont'd)**Incoming resources (Cont'd)**

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when the donor specifies that the grant or donations must only be used in future accounting periods or for specific purposes; or when the donor has imposed conditions which must be met before the Company has unconditional entitlement.

Ticketing income

Ticketing income from the Children's Centre for Creativity are recognised on the day of purchase. Annual passes are recognised over 12 months on a straight-line basis from the day of purchase.

Programme income

Income generated from social activities, events and programmes are recognised when the related event is held.

Teachers training

Income generated from training programmes, learning journeys and retreats provided to teachers are recognised when the related event is held.

Space design

Income generated from designing and consulting the space are recognised according to the completion and handover of the space.

Donations

Donations are recognised in the statement of comprehensive income as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donations. Donations received in advance for future are deferred till the Company is entitled for the donation.

Grants

Grants to cover a particular expenditure or programme are accounted for as incoming resources upon receipt of notification of the grant award, which normally coincides with the year when the related expenses for which the grant is intended to cover are incurred. Grants received for the purchase of depreciable assets and refurbishment for the Company are taken to the deferred capital grants account. The deferred capital grants are recognised in profit or loss over the years necessary to match the depreciation of assets to which the grants relate. A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Operating grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Under the conditions of grant received, over or under funding from National Council of Social Services ("NCSS"), National Arts Council ("NAC"), Ministry of Culture, Community and Youth ("MCCY") and National Youth Council ("NYC") are refundable to or reimbursable from these entities.

2(d) Summary of significant accounting policies (Cont'd)**Gifts in kind**

A gift in kind is included in the profit or loss based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

Functional currenciesFunctional and presentation currency

The financial statements of the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

Conversion of foreign currenciesTransactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

LeasesWhere the Company is the Lessee - Operating leases

Rentals on operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the statement of comprehensive income when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the statement of comprehensive income when incurred.

Income taxes

As a charity, the Company is exempted from income tax under the provisions of the Income Tax Act Cap. 134, section 13U(1) and no provision for income tax is required to be made in the financial statements.

3 Plant and equipment

	Computer equipment \$	Office equipment \$	Furniture and fittings \$	Total \$
<u>Cost</u>				
At 1 April 2017	25,236	2,852	142,137	170,225
Additions	2,712	-	2,531	5,243
At 31 March 2018	27,948	2,852	144,668	175,468
Additions	4,830	6,004	-	10,834
At 31 March 2019	32,778	8,856	144,668	186,302
<u>Accumulated depreciation</u>				
At 1 April 2017	21,498	1,651	49,228	72,377
Depreciation	6,215	867	32,032	39,114
At 31 March 2018	27,713	2,518	81,260	111,491
Depreciation	4,652	1,214	25,899	31,765
At 31 March 2019	32,365	3,732	107,159	143,256
<u>Carrying amount</u>				
At 31 March 2019	413	5,124	37,509	43,046
At 31 March 2018	235	334	63,408	63,977

Included in “furniture and fittings” was a provision made for site restoration costs amounting to \$26,004 (2018 - \$26,004), in respect of the Company’s premises located at 47 Malan Road.

4 Trade and other receivables

	2019 \$	2018 \$
Trade receivables	24,085	21,651
Other receivables	-	600
Deposits	16,343	17,022
Loans and other receivables	40,428	39,273
Prepayment	2,419	2,712
	42,847	41,985

The Company’s receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The average credit term extended to the majority of the customers is 30 days.

Trade receivables mainly arise from programme income and teachers training.

Refer to Note 19 for details of credit risk exposures.

5 Cash and cash equivalents

	2019 \$	2018 \$
Cash on hand	680	1,312
Cash at bank	155,310	299,454
	155,990	300,766

6 Capital

The Company is a public company limited by guarantee and does not have any issued share capital. Since incorporation and as at 31 March 2019, the Company has 3 members and the liability of the members are limited. In the event of the Company being wound up while a member is in office, or within one year after he ceases to be a member, each member shall be liable for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, not exceeding a sum of \$1.

7 General operating fund

	2019 \$	2018 \$
Unrestricted fund ("Reserves")	60,235	298,677

8 Provision for restoration cost

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition stipulated in the operating lease agreements. The Company expects to incur the liability upon termination of the lease.

A provision is recognised for the present value of costs to be incurred for the restoration of the operating lease for the Company's premises at 47 Malan Road Singapore 109444. The Company has extended the lease in 2019 and the extended lease commenced on 1 August 2019 and expires on 31 July 2020.

The provision has been computed using a discount rate of 3.04% (2017 - 2.23%), which is the risk-free rate of the liability applicable to the Company.

The movement of provision for restoration cost is as follows:

	\$
At 1 April 2017	29,170
Unwinding interest on provision for restoration cost	650
At 31 March 2018	29,820
Unwinding interest on provision for restoration cost	180
At 31 March 2019	30,000

9 Trade and other payables

	2019 \$	2018 \$
Trade payable	1,197	-
Other payable	-	10,814
Accrued expenses	42,861	26,510
Financial liabilities at amortised costs	44,058	37,324
Advanced deposits	782	352
Grants received in advance	93,937	10,868
	138,777	48,544

9 Trade and other payables (Cont'd)

The movements of the grants received in advance relate to the Presentation & Participation Grant ("P&P"), VWOs-Charities Capability Fund Consultancy Grant ("VCF"), National Youth Fund ("NYF"), Cultural Matching Fund ("CMF") and Nation Council of Social Service Fund ("NCSS").

P&P is a project based grant that the Company will apply for towards projects such as Art of Speed & Hideaways and more recently for the exhibition – Making it Home.

VCF is a consultancy grant which aims to facilitate the development of internal control policies and procedures of the Company.

NYF is a grant to help support the Company to train their play facilitators.

CMF is a dollar-for-dollar matching grant for private cash donations to registered charities in the arts and heritage sector.

CSF is a fund for programmes to empower service users and families, capital expenditure and capability building for community engagements with the aim of unlocking resources for service users.

The movements of grants received in advance are as follows:

	2019 \$	2018 \$
<u>P&P/ VCF/ NYF/ CSF</u>		
At 1 April	5,500	42,000
Grants received during the year	126,536	33,582
Utilised during the year (Note 12)	(93,529)	(70,082)
At 31 March	<u>38,507</u>	<u>5,500</u>
	2019 \$	2018 \$
<u>CMF</u>		
At 1 April	5,368	-
Grants received during the year	85,102	24,720
Utilised during the year (Note 12)	(35,040)	(19,352)
At 31 March	<u>55,430</u>	<u>5,368</u>

Trade and other payables are unsecured and repayable within 30 to 60 days (2018 - 30 to 60 days).

Trade and other payables are denominated in Singapore dollars. Please refer to Note 19 for details of liquidity risk exposures.

10 Contract liabilities

	2019 \$	2018 \$
Deferred income	<u>12,871</u>	<u>29,687</u>

Deferred income relates to the unamortised portion of the annual passes for the Children's Centre for Creativity and specific donations received not utilized yet.

11 General donations

	2019 \$	2018 \$
Donation income (Tax-deductible)	104,462	54,855
Donation income (Tax non-deductible)	10,187	2,436
	114,649	57,291

12 Grant income

	2019 \$	2018 \$
Cultural Matching Fund	35,040	19,352
Presentation and Participation Grant	19,000	38,000
Care and Share Matching Grant	-	171,402
VWOs-Charities Capability Fund Consultancy Grant	-	16,000
National Youth Fund	-	16,082
Charity Support Fund	50,000	-
Other Grants	24,529	-
	128,569	260,836

Refer to Note 19 for the Company's exposure to currency, liquidity and interest rate risks.

13 Fund-raising projects

	2019 \$	2018 \$
Donation income (Tax-deductible)	-	15,760
Donation income (Tax non-deductible)	-	880
Others	-	460
	-	17,100

The Company did not hold any fund-raising activities for the financial year ended 31 March 2019.

Notes to the financial statements for the financial year ended 31 March 2019

14 Incoming resourcesFY 2019

<u>Timing of revenue recognition</u>	<u>Transferred at a point in time</u>	<u>Transferred over time</u>	<u>Total</u>
	\$	\$	\$
Programme income	31,699	-	31,699
Ticketing income	314,202	-	314,202
Teachers training	116,005	-	116,005
Space design	5,800	-	5,800
Other income	7,246	-	7,246
General donation (Note 11)	114,649	-	114,649
Grant income (Note 12)	-	128,569	128,569
Total	589,601	128,569	718,170

FY 2018

<u>Timing of revenue recognition</u>	<u>Transferred at a point in time</u>	<u>Transferred over time</u>	<u>Total</u>
	\$	\$	\$
Programme income	133,473	-	133,473
Ticketing income	302,894	-	302,894
Teachers training	52,710	-	52,710
Space design	42,451	-	42,451
General donation (Note 11)	57,291	-	57,291
Grant income (Note 12)	-	260,836	260,836
Fund-raising projects (Note 13)	17,100	-	17,100
Other income	2,239	-	2,239
Total	608,158	260,836	868,994

15 Staff costs

	2019	2018
	\$	\$
Director and key management personnel		
- salaries and related costs	190,305	185,062
- defined contribution plan	22,488	17,893
	212,793	202,955
Other than directors and key management personnel		
- salaries and related costs	183,593	160,006
- defined contribution plan	30,935	26,276
	214,528	186,282
	427,321	389,237

Number of key management personnel paid in compensation bands:

	2019	2018
\$100,000 to \$200,000	1	-
\$100,000 and below	1	3

The board of directors did not receive any form of remuneration in the previous and current financial periods.

16 Taxation

	2019 \$	2018 \$
Loss before income tax	(238,442)	(25,444)
Tax at statutory rate of 17%	(40,535)	(4,325)
Tax exemption under Charities Act	40,535	4,325
	-	-

The Company is an approved charity under the Charities Act, Cap. 37 and an Institution of Public Character under the Income Tax Act, Chapter 134. No provision for tax has been made in the financial statements as the Company is exempt from income tax.

17 Operating lease commitmentsThe Company as lessee

As at 31 March 2019, the Company has commitment for future minimum lease payment under non-cancellable operating leases for its office premises and office equipment are as follows:

	2019 \$	2018 \$
Not later than one year	36,468	30,337
Later than 1 year but not later than 5 years	-	-
	36,468	30,337

The Company has extended the lease in 2019 and the extended lease commenced on 1 August 2019 and expires on 31 July 2020.

18 Significant related party transactions

In the normal course of business, the Company provided services to a related party. Significant transactions with a related party, other than those disclosed elsewhere in the financial statements are as follows:

	2019 \$	2018 \$
Ticketing income received from directors	-	56
Donations received from directors	-	11,580
Donations received from director's spouse	-	3,000
Purchase of wine from director's spouse	-	228
Other income received from director	-	100
Other income received from director's spouse	-	225

19 Financial risk management objectives and policies

The Company has documented financial risk management policies. These policies set out the Company's risk management philosophy. The Company is exposed to financial risks arising from its operations and the use of financial instruments. The financial risks included credit risk, interest rate risk, foreign currency risk, market price risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize adverse effects from the unpredictability of financial markets on the Company's financial performance. The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's exposure to credit risk arises primarily from trade and other receivables and cash balances. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

The Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as follows:

	2019 \$	2018 \$
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	40,428	39,273
Cash and cash equivalents	155,990	300,766
	196,418	340,039

The Company's major classes of financial assets are trade and other receivables (excluding prepayments) and cash and bank balances.

The tables below detail the credit quality of the Company's financial statements and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	12-month / Lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 March 2019				
Trade and other receivables	Lifetime ECL	40,428	-	40,428
Total		40,428	-	40,428
31 March 2018				
Trade and other receivables	Lifetime ECL	39,273	-	39,273
Total		39,273	-	39,273

19 Financial risk management objectives and policies (Cont'd)**Credit risk (Cont'd)**Trade and other receivables

The Company applies the FRS 109 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the Gross Domestic Product of Singapore, the country in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within other operating expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

Cash and cash equivalents

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

Impairment of trade and other receivables as at 31 March 2018

Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The trade and other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet been identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment. The Company considered that there was evidence of impairment if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or late payments.

Receivables for which an impairment provision was recognised were written off against the provision when there was no expectation of recovering additional cash.

Interest rate risk

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

The Company's exposure to interest rate risk arises primarily from changes in interest rates on interest bearing fixed deposits. The interest rate risk on financial assets and financial liabilities is not significant.

19 Financial risk management objectives and policies (Cont'd)**Credit risk (Cont'd)****Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company is not exposed to foreign currency risk as all its financial assets and liabilities are denominated in Singapore dollars.

Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

The Company does not hold any quoted or marketable financial instrument and is not exposed to any movement in market prices.

Liquidity risk

Liquidity or funding risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company maintains sufficient level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

The average credit period taken to settle trade payables is about 30 days (2018 - 30 days). The other payables are with short-term durations.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount \$	-----Contractual undiscounted cash flows-----			
		Total \$	Less than 1 year \$	Between 2 and 5 years \$	Over 5 years \$
31 March 2019					
Trade and other payables and accruals (excluding grants received in advance and advanced deposits)	44,058	44,058	44,058	-	-
Provision for restoration cost	30,000	30,000	30,000		
	74,058	74,058	74,058		
31 March 2018					
Trade and other payables and accruals (excluding grants received in advance and advanced deposits)	37,324	37,324	37,324	-	-
Provision for restoration cost	29,820	29,820	29,820		
	67,144	67,144	67,144		

20 Fair values of financial instruments

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determination of fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value measurement of financial assets and financial instruments

The carrying amount of financial assets and financial liabilities (trade and other receivables, cash and cash equivalents, and trade and other payables) with a maturity of less than one year is assumed to approximate their fair value.

The Company does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

21 Funds management policy

The objectives of the directors when managing funds are:

- (a) to safeguard the Company's ability to continue as going concerns; and
- (b) to provide capital for the purpose of promoting the social and cultural advancement of the community in Singapore.

The directors actively and regularly review and manage its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The directors monitor funds using the annual-operating-expenditure-to-total-funds ratio.

	2019 \$	2018 \$
Annual operating expenditure (A)	956,612	894,438
Total funds (B)	60,235	298,677
Annual-operating-expenditure-to-total-funds ratio (times) (A)/(B)	15.88	2.99

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

22 Financial instruments**Accounting classifications of financial assets and financial liabilities**

The carrying amounts of financial assets and financial liabilities in each category are as follows:

At 31 March 2019	Note	Financial assets (carried at amortised cost) \$
Financial assets		
Other receivables (excluding prepayments)	4	40,428
Cash and bank balances	5	155,990
		196,418

At 31 March 2019	Note	Financial liabilities (carried at amortised cost) \$
Financial liabilities		
Other payables and accruals (excluding grants received in advance and advanced deposits)	9	44,058
Provision for restoration cost	8	30,000
		74,058

At 31 March 2018	Note	Loans and receivables (carried at amortised cost) \$
Financial assets		
Other receivables (excluding prepayments)	4	39,273
Cash and bank balances	5	300,766
		340,039

At 31 March 2018	Note	Other liabilities (carried at amortised cost) \$
Financial liabilities		
Other payables and accruals (excluding grants received in advance and advanced deposits)	9	37,324
Provision for restoration cost	8	29,820
		67,144

Reclassification of financial instruments on adoption of FRS 109

On date of initial application, the financial instruments of the Company are now classified as amortised cost under FRS 109.