

ART OUTREACH SINGAPORE LIMITED
(Company Registration No. 200304127K)
(IPC No. IPC000073)
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2023**

ART OUTREACH SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

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ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

The directors present their annual report to the member together with the audited financial statements of Art Outreach Singapore Limited (the Company) for the financial year ended 31 March 2023.

In our opinion,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance of the business, changes in funds and cash flows of the Company for the financial year then ended; 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.

DIRECTORS

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

Yo Mae-Yin Mabelin Mrs Mabelin Yo Anderson
Phng Hwee Hieh Audrey
Kaori Kathleen Zage
Asa Tucker

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of the financial year nor at any time during the financial period was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

OTHER MATTERS

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

ART OUTREACH SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

INDEPENDENT AUDITORS

The independent auditors, TJ Assurance Partners PAC, have expressed their willingness to accept the re-appointment.

On behalf of the Board of Directors

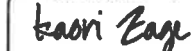
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Yo Mae-Yin Mabelin Mrs Mabelin Yo Anderson
Director

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Kaori Kathleen Zage
Director

22 AUG 2023

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ART OUTREACH SINGAPORE LIMITED**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Art Outreach Singapore Limited (the Company), which comprise the statement of financial position as at financial year ended 31 March 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year ended 31 March 2023 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at financial year ended 31 March 2023 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis of 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises 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 AUDITORS' REPORT
TO THE MEMBERS OF ART OUTREACH SINGAPORE LIMITED**
(Incorporated in the Republic of Singapore)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 AUDITORS' REPORT
TO THE MEMBERS OF ART OUTREACH SINGAPORE LIMITED**
(Incorporated in the Republic of Singapore)

Auditors' Responsibility 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.

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 and the Charities Act and Regulations to be kept by the Foundation have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year the use of donation money was not in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.

TJ ASSURANCE PARTNERS PAC
Public Accountants and
Chartered Accountants

Singapore
22 August 2023

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

<u>Note</u>	<u>2023</u>	<u>2022</u>
Unrestricted <u>funds</u> S\$	Restricted <u>funds</u> S\$	<u>Total</u> S\$
Unrestricted <u>funds</u> S\$	Restricted <u>funds</u> S\$	<u>Total</u> S\$
INCOMING RESOURCES		
Voluntary income:		
- Tax deductible	88,657	-
- Non-tax deductible	153,096	-
Charitable activities:		
- HEARTH programme	-	-
- Merchandise sales	15,042	-
- Service income – School Assembly	16,800	-
- Workshops	-	-
Project management fee	136,352	-
Grant Incomes:		
- Cultural Matching Fund	-	91,522
- National Arts Council – Major Company Grant	200,000	-
- National Arts Council – Arts and Culture Resilience Package Operating Grant	-	-
- National Arts Council – Singapore Art Week	30,000	-
- National Youth Council – Force for Good Scheme	-	-
- Singapore Tourism Board – Art Encounters	232,827	-
- Singapore Business Federation – SG United Traineeship Program Grant	-	-
- Tote Board Arts Fund – Art Encounters	16,000	-
	<u>888,774</u>	<u>91,522</u>
	<u>888,774</u>	<u>980,296</u>
	<u>888,774</u>	<u>765,067</u>
Other income		
Jobs Support Scheme	-	-
Jobs Growth Incentive	2,249	-
Miscellaneous income	386	-
Back charge of sharing of expenses for IMPART programme	60,000	-
Small business recovery grant	5,000	-
Wages Credit Scheme	352	-
	<u>67,987</u>	<u>67,987</u>
	<u>67,987</u>	<u>75,905</u>
	<u>67,987</u>	<u>75,905</u>

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)**

	← <u>Note</u>	<u>2023</u> →		<u>2022</u>
	<u>Unrestricted funds</u> S\$	<u>Restricted funds</u> S\$	<u>Total</u> S\$	<u>Total</u> S\$
TOTAL INCOMING RESOURCES	956,761	91,522	1,048,283	840,972
RESOURCES EXPENDED				
Cost of charitable activities:				
- Art Encounters	159,432	-	159,432	305,366
- Art SG booth	3,467	-	3,467	-
- ARTLink community programme	4,153	-	4,153	4,937
- Charity festival	70	-	70	-
- HEARTH programme	11,130	-	11,130	5,068
- IMPART Art Prize programme	66,367	60,000	126,367	62,608
- Off the Wall programme	468	-	468	-
- Partnership programme – 29Rooms project	30,714	-	30,714	-
- School Assembly	2,442	-	2,442	715
- Singapore Art Week exhibitions	92,560	-	92,560	20,959
- Singapore HeritageFest	3,086	-	3,086	-
Book publication	75,535	-	75,535	-
Miscellaneous costs	4,605	-	4,605	206
Staff costs	312,372	15,432	327,804	320,390
	<u>766,401</u>	<u>75,432</u>	<u>841,833</u>	<u>720,249</u>
Administrative costs				
Accounting fees	8,400	-	8,400	8,685
Audit fees				
- under/(over) provision in prior year	1,611	(1,611)	-	-
- current year	8,775	-	8,775	16,040
Bank fees				
- under/(over) provision in prior year	57	(57)	-	-
- current year	377	41	418	241
Corporate secretarial fee	800	-	800	960
Depreciation of property, plant and equipment	66,260	-	66,260	75,826
Fines and penalties	5	-	5	-
Insurance	1,843	-	1,843	946
Balance carried forward	<u>88,128</u>	<u>(1,627)</u>	<u>86,501</u>	<u>102,698</u>

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)**

	Note	2023		2022	
		Unrestricted funds	Restricted funds		Total
		S\$	S\$	S\$	
Balance brought forward		88,128	(1,627)	86,501	102,698
Low-value assets		7,044	-	7,044	-
Newspaper subscription		478	-	478	-
Office supplies		7,597	-	7,597	2,580
Other expenses		1,795	-	1,795	356
Office rental					
- over provision in prior year		-	-	-	(2,857)
- current year		21,149	-	21,149	2,857
Postage and courier		523	-	523	326
Printing and stationery		1,453	-	1,453	315
Software subscription		4,406	-	4,406	2,756
Sponsor and partner recognition		3,563	-	3,563	1,864
Staff cost		52,210	2,046	54,256	41,243
Telephone and internet		1,752	-	1,752	2,140
Transportation		658	-	658	328
Upkeep of office		2,718	-	2,718	892
Utilities		3,685	-	3,685	2,805
Webhosting and maintenance		622	-	622	362
		<u>197,781</u>	<u>419</u>	<u>198,200</u>	<u>158,665</u>
Finance cost					
Interest expense on lease liability		<u>4,568</u>	<u>-</u>	<u>4,568</u>	<u>810</u>
TOTAL RESOURCES EXPANDED		<u>968,750</u>	<u>75,851</u>	<u>1,044,601</u>	<u>879,724</u>
Surplus/(Deficit) before income tax		(11,989)	15,671	3,682	(38,752)
Income tax	3	-	-	-	-
Surplus/(Deficit) for the financial year		<u>(11,989)</u>	<u>15,671</u>	<u>3,682</u>	<u>(38,752)</u>
Other comprehensive income for the financial year, net of tax		-	-	-	-
Total comprehensive income/(loss) for the financial year		<u>(11,989)</u>	<u>15,671</u>	<u>3,682</u>	<u>(38,752)</u>

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

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
ASSETS			
Non-current asset			
Property, plant and equipment	4	<u>373,543</u>	<u>34,096</u>
Current assets			
Trade and other receivables	5	372,976	270,942
Other current assets	6	24,474	24,620
Restricted cash – CMF fund		108,367	24,497
Cash at bank		<u>612,021</u>	<u>795,312</u>
		<u>1,117,838</u>	<u>1,115,371</u>
Total assets		<u>1,491,381</u>	<u>1,149,467</u>
FUNDS AND LIABILITIES			
Funds and reserves			
Accumulated fund		981,557	993,546
Restricted fund	7	<u>108,367</u>	<u>92,696</u>
		<u>1,089,924</u>	<u>1,086,242</u>
Non-current liability			
Lease liability	8	<u>173,222</u>	<u>-</u>
Current liabilities			
Other payables	9	166,270	63,225
Lease liability	8	38,365	-
Contract liabilities	10	<u>23,600</u>	<u>-</u>
		<u>228,235</u>	<u>63,225</u>
Total liabilities		<u>401,457</u>	<u>63,225</u>
Total funds and liabilities		<u>1,491,381</u>	<u>1,149,467</u>

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

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Accumulated <u>fund</u> S\$	Restricted <u>fund</u> S\$	<u>Total</u> S\$
Balance at 1 April 2021	860,971	264,023	1,124,994
Surplus/(Deficit) for the year, representing total comprehensive income for the year	132,575	(171,327)	(38,752)
Balance at 31 March 2022	993,546	92,696	1,086,242
(Deficit)/Surplus for the year, representing total comprehensive income for the year	(11,989)	15,671	3,682
Balance at 31 March 2023	981,557	108,367	1,089,924

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

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>2023</u>	<u>2022</u>
	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus before income tax	(11,989)	132,575
Adjustments for:		
Depreciation of property, plant and equipment	65,411	75,826
Interest expense on lease liability	4,568	810
Rental concession received from landlord	-	(8,571)
Operating surplus before working capital changes	57,990	200,640
Increase in trade and other receivables	(118,672)	(166,671)
Decrease/(Increase) in other current assets	146	(16,792)
Increase in other payable	51,484	43,588
Increase in contract liabilities	23,600	-
Net cash from operating activities	<u>14,548</u>	<u>60,765</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment, representing net cash used in investing activity	<u>(197,839)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Accretion of interest/(Repayment) of lease liability	4,568	(22,045)
Interest paid	(4,568)	(810)
Net cash used in financing activities	<u>-</u>	<u>(22,855)</u>
Net (decrease)/increase in cash and cash equivalents	(183,291)	37,910
Cash and cash equivalents at beginning of financial year	795,312	757,402
Cash and cash equivalents at end of financial year	<u><u>612,021</u></u>	<u><u>795,312</u></u>

Note: Cash and cash equivalents comprised of cash at bank.

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

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

1. CORPORATE INFORMATION

The Company is a public company limited by guarantee which is incorporated and domiciled in the Republic of Singapore.

The address of its registered office and principal place of business of the Company is 5 Lock Road, #01-06 Gillman Barracks, Singapore 108933.

The principal activities of the Company are as follows:

- (a) To promote access to and the appreciation of art in schools, to children from disadvantaged backgrounds and to the wider community in Singapore, with the aim of improving visual art literacy and critical;
- (b) To advocate the importance of art in society by fostering an appreciation of art practitioners and supporting the development of emerging visual arts talent in Singapore;
- (c) To do such other lawful things as are incidental or conducive to the attainment of the above object and provided that nothing shall be done for commercial reasons or solely for profit, this includes:
 - i) To undertake an arts education programme for schools in Singapore;
 - ii) To produce, manage and conduct arts appreciation talks, seminars, workshops, master classes, exhibitions for teachers, parents and school children in Singapore; and
 - iii) To provide training and conduct courses, classes, workshops and educational programme and other means for a fee or otherwise for painters, artists, sculptures in all aspect of visual arts.

The Company is a company limited by guarantee. The Company was incorporated on 5 May 2003 and was registered as a charity on 15 October 2003. It has been accorded an Institutions of a Public Character (IPC) status from 1 April 2022 to 31 March 2025.

Each member of the company undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding S\$100. As of the reporting date, the Company have 4 members (2022: 4 members).

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

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

The financial statements, which are presented in Singapore dollars (S\$), have been prepared on historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of 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 profit or loss during the financial year. Although these estimates are based on the Company's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(q).

(b) *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Standards issued but not yet effective**

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 <i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) *Revenue (cont'd)*

Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Rendering of services and programme fees

Revenue from rendering of services and programme fees are recognised when the services have been performed and rendered.

Rental income

Rental income earned during event is recognised when event is held.

Sales of goods

Revenue from sale of goods is recognised upon the issuance of invoice. Satisfaction of performance obligation is at a point in time. 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.

Other income

Other income is recognised upon receipt.

(e) *Employee benefits*

Defined contribution plans

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF) Scheme which is a defined contribution scheme. Contributions to CPF are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

ART OUTREACH SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Income tax

Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the liability method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the initial recognition of assets or liabilities affect neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers and software	5 years
Furniture and fixtures	3 years
Office equipment	3 years
Project equipment	3 years
Renovation	3 years
Leasehold building	Over lease period of 5 years

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted prospectively as appropriate, at each financial year-end. The effect of any revision are recognised in profit or loss when the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

(h) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets 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.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

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. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of non-financial assets (cont'd)

Impairment losses recognised in prior years are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Financial instruments

(i) Financial assets

Initial recognition and measurement

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

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

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.

Subsequent measurement

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 the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) *Financial instruments (cont'd)*

(ii) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

(j) *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

(m) Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Company that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Company. Unrestricted funds are expendable at the discretion of the Executive Council in furtherance of the Company's objects.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds in respect of the asset acquired.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Government grants

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

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

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

(o) Leases

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

(i) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(h).

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (cont'd)

(i) As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(p) Related parties

A related party is defined as follows:

- (aa) 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related parties

(bb) 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 (aa); and
- (vii) A person identified in (aa)(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).

(q) Significant accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be 3 to 5 years.

The carrying amounts of property, plant and equipment are disclosed in Note 4 to the financial statements.

Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets. Therefore, future depreciation charges could be revised and impacts the profit in future years.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) *Significant accounting estimates and judgements (cont'd)*

(i) **Key sources of estimation uncertainty (cont'd)**

Impairment of property, plant and equipment

The Company follows the guidance of FRS 36 – Impairment of Assets, in determining when a non-financial asset is impaired in respect of its property, plant and equipment. This assessment requires significant judgement. The Company evaluates, among other factors, the duration and extent to which fair value of the asset is less than its cost, and the financial health of and near-term business outlook of the asset, including factors such as industry, sector performance and operational and financing cash flow.

The carrying amounts of property, plant and equipment are disclosed in Note 4 to the financial statements.

(ii) **Critical judgements made in applying accounting policies**

In the process of applying the accounting policies, management has made the following judgement which has significant effects on the amounts recognised in the audited financial statements: -

Determination of functional currency

In determining the functional currency, judgement is required to determine the currency that (i) mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services; (ii) funds from financing activities are generated; and (iii) receipts from operating activities are usually retained. The functional currency of the Company is determined based on management's assessment of the economic environment in which the entity operates having considered the aforementioned area of judgement.

3. INCOME TAX

The Company is a registered charity under the Charities Act 1994 since 15 October 2003. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act 1947.

ART OUTREACH SINGAPORE LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

4. PROPERTY, PLANT AND EQUIPMENT

	Computers and software S\$	Furniture and fixtures S\$	Office equipment S\$	Renovation S\$	Project equipment S\$	Production equipment S\$	Leasehold building S\$	Total S\$
<u>Cost</u>								
Balance at 1/4/2022	21,625	5,641	8,972	29,458	138,165	-	64,954	268,815
Written off	(21,625)	(5,641)	(8,972)	(29,458)	-	-	(64,954)	(130,650)
Balance at 31/3/2022	-	-	-	-	138,165	-	-	138,165
Additions	-	7,467	7,197	173,415	-	9,760	207,019	404,858
Balance at 31/3/2023	-	7,467	7,197	173,415	138,165	9,760	207,019	543,023
<u>Accumulated Depreciation</u>								
Balance at 1/4/2021	21,625	5,641	8,972	29,458	58,014	-	35,183	158,893
Charge for the financial year	-	-	-	-	46,055	-	29,771	75,826
Written off	(21,625)	(5,641)	(8,972)	(29,458)	-	-	(64,954)	(130,650)
Balance at 31/3/2022	-	-	-	-	104,069	-	-	104,069
Charge for the financial year	-	731	948	11,852	34,096	532	17,252	65,411
Balance at 31/3/2023	-	731	948	11,852	138,165	532	17,252	169,480
<u>Net Carrying Amount</u>								
Balance at 31/3/2022	-	-	-	-	34,096	-	-	34,096
Balance at 31/3/2023	-	6,736	6,249	161,563	-	9,228	189,767	373,543

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 9(i)(a).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****5. TRADE AND OTHER RECEIVABLES**

	<u>2023</u> S\$	<u>2022</u> S\$
Trade receivables from:		
- third parties	124,149	-
Grant receivables	248,827	254,303
Service and fee receivables	-	16,639
	<u>372,976</u>	<u>270,942</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

6. OTHER CURRENT ASSETS

	<u>2023</u> S\$	<u>2022</u> S\$
Deposits	14,170	21,160
Prepayment	10,304	3,460
	<u>24,474</u>	<u>24,620</u>

7. RESTRICTED FUNDS

	<u>Cultural Matching Fund</u> S\$	<u>Total</u> S\$
Balance at 1/4/2021	264,023	264,023
Receipts	29,695	29,695
Payments	(201,022)	(201,022)
Balance at 31/3/2022	92,696	92,696
Receipts	91,522	91,522
Payments	(75,851)	(75,851)
Balance at 31/3/2023	<u>108,367</u>	<u>108,367</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****7. RESTRICTED FUNDS (CONT'D)**

The Cultural Matching Fund (CMF) is a fund set up by the Ministry of Culture, Community and Youth (MCCY) to provide dollar-for-dollar matching grants for private cash donations to arts and heritage charities or Institution of a Public Character (IPC). The CMF doubles the value of every cash donation for the receiving charities or IPC which can be put to various uses, including developing the capabilities for the long-term sustainability of the charities or IPC and the cultural sector as a whole. The National Arts Council (NAC) is the appointed CMF Secretariat for the administration of the CMF.

If the funds are not utilised in accordance with the approved uses of the CMF, the charities or IPC will not be allowed to apply for future matching grants from the CMF. The CMF Board of Trustees reserves the right to request for the monies to be returned, so that other eligible charities or IPC can benefit from the fund.

The grant shall be fully utilised for permitted purposes by 31 March 2025.

8. LEASE LIABILITY

	<u>2023</u> S\$	<u>2022</u> S\$
Non-current liability		
Lease liability	173,222	-
Current liabilities		
Lease liability	38,365	-
	<u>211,587</u>	<u>-</u>

(i) Leases

The Company has lease contracts for building. The Company's obligations under these leases are secured by the lessor's title to the leased assets.

(a) A reconciliation of liabilities arising from financing activities is as follows:

	1 April <u>2022</u> S\$	<u>Cash flows</u> S\$	Non-cash changes		31 March <u>2023</u> S\$
			<u>Additions</u> S\$	Accretion of <u>interests</u> S\$	
Lease liabilities					
- Current	-	-	33,797	4,568	38,365
- Non-current	-	-	173,222	-	173,222
	<u>-</u>	<u>-</u>	<u>207,019</u>	<u>4,568</u>	<u>211,587</u>
	1 April <u>2021</u> S\$	<u>Cash flows</u> S\$	<u>Additions</u> S\$	Accretion of <u>interests</u> S\$	31 March <u>2022</u> S\$
Lease liabilities					
- Current	30,616	(31,426)	-	810	-
- Non-current	-	-	-	-	-
	<u>30,616</u>	<u>(31,426)</u>	<u>-</u>	<u>810</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****8. LEASE LIABILITY (CONT'D)****(i) Leases (cont'd)****(b) Carrying amounts of right-of-use assets classified within property, plant and equipment**

	Leasehold <u>Building</u> S\$	<u>Total</u> S\$
At 1 April 2021	29,771	29,771
Depreciation	<u>(29,771)</u>	<u>(29,771)</u>
At 31 March 2022	-	-
Addition	207,019	207,019
Depreciation	<u>(17,252)</u>	<u>(17,252)</u>
At 31 March 2023	<u>189,767</u>	<u>189,767</u>

(c) Amounts recognised in profit or loss

	<u>2023</u> S\$	<u>2022</u> S\$
Depreciation of right-of-use assets	17,252	29,771
Interest expense on lease liability	4,568	810
Lease expense not capitalised on lease liabilities representing expenses relating to leases of low value assets (including in governance and administrative costs)	<u>21,149</u>	<u>2,857</u>
Total amount recognised in profit or loss	<u>42,969</u>	<u>33,438</u>

9. OTHER PAYABLES

	<u>2023</u> S\$	<u>2022</u> S\$
Accruals	84,571	9,200
Provision for unutilised leave	12,225	12,225
Other payables	39,974	41,800
Deferred grant income - STF fund	<u>29,500</u>	<u>-</u>
	<u>166,270</u>	<u>63,225</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****10. CONTRACT LIABILITIES**

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customers for which the Company has billing in advanced to customers for services rendered.

Significant changes in contract liabilities are explained as follows:

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Advanced billing to customers	<u>23,600</u>	<u>-</u>

As at 31 March 2023, the aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations is S\$23,600 (2022: S\$ NIL). The Company expects these performance obligations to be recognised in the next financial year.

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Donation received from the directors	<u>4,250</u>	<u>4,352</u>

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has no formal risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the Management Committee.

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The key financial risks include credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including trade and other receivables, refundable deposits and cash and cash equivalents), the Company minimise credit risk by dealing with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the objective of reducing the Company's exposure to bad debts to an insignificant level

At reporting date, the carrying amounts of trade and other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's objective is to maintain a balance between funding through business and flexibility through the use of funding from the shareholders.

The Company's liquidity risk management policy is to maintain sufficient liquid financial assets and flexibility through matching of the payment and receipt cycle.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Due within <u>1 year</u> S\$	Due after 1 year but not later than 5 <u>years</u> S\$	<u>Total</u> S\$
<u>2023</u>			
Other payables	166,270	-	166,270
Lease liabilities	48,667	190,404	239,071
	<u>214,937</u>	<u>190,404</u>	<u>405,341</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(b) Liquidity risk (cont'd)**

	Due within <u>1 year</u> S\$	Due after 1 year but not later than 5 <u>years</u> S\$	<u>Total</u> S\$
<u>2022</u>			
Other payables	<u>63,225</u>	<u>-</u>	<u>63,225</u>

13. FUNDS MANAGEMENT

The Company's objectives when managing its fund are to safeguard its ability to maintain adequate working capital to continue as going concern, to organise charitable and other supporting activities aimed at humanitarian work through dramatic arts, music and other production-related activities and these objectives remain unchanged from previous year.

14. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Directors on 22 August 2023.