

**ART OUTREACH SINGAPORE  
LIMITED**

[UEN. 200304127K]

[IPC No. IPC000073]

[A company limited by guarantee and not having  
share capital]

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2020**

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**Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre, #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

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## **DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of Art Outreach Singapore Limited (the "Company") for the financial year ended 31 March 2020.

In the opinion of the directors,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### **Directors**

The directors of the Company in office at the date of this statement 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 nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

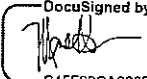
### **Other matters**

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

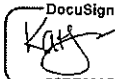
### **Independent auditor**

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

DocuSigned by:  
  
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Yo Mae-Yin Mabelin Mrs Mabelin Yo Anderson  
Director

DocuSigned by:  
  
82BE930D169B48A...

Kaori Kathleen Zage  
Director

Singapore, **29 NOV 2020**

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Independent auditor's report to the members of:

**ART OUTREACH SINGAPORE LIMITED**  
[UEN. 200304127K]  
[IPC No. IPC000073]

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Art Outreach Singapore Limited (the "Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 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 31 March 2020 and of the financial performance, changes in the funds and cash flows of the Company for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement, 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.

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(CONT'D)

Independent auditor's report to the members of:

### **ART OUTREACH SINGAPORE LIMITED**

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## **Responsibilities of Management and Those Charged with Governance 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 Companies Act, the Charities Act and Regulations 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.

Those charged with governance comprises the directors. Their 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 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.

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### **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.

We communicate with those charged with governance 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 to be kept by the Company 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:

- a) the Company has not used the donation moneys in accordance with the objectives 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 of the Charities (Institutions of a Public Character) Regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, **29 NOV 2020**

Partner-in-charge: Soo Hon Weng  
PAB No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund S\$	Cultural Matching Fund S\$	S\$
<b>2020</b>	Note			
<b>INCOME</b>				
<b>Income from generating funds</b>				
<u>Voluntary income</u>				
Donations		18,237	0	18,237
<u>Activities for generating funds</u>				
Gala Dinner and Auction proceeds	6	280,216	0	280,216
<u>Grants:</u>				
- Cultural Matching Grant		0	195,440	195,440
- National Arts Council - Major Grant		120,000	0	120,000
- National Arts Council - VisualThinking - Community Learning		2,061	0	2,061
- National Arts Council - Other		32,000	0	32,000
- Tote Board Fundraising Grant		150,000	0	150,000
- NCSS VCF Info - Technology Grant		2,400	0	2,400
		<u>306,461</u>	<u>195,440</u>	<u>501,901</u>
		604,914	195,440	800,354
<b>Income from charitable activities</b>				
<u>Service income</u>				
- Art in the MRT		8,000	0	8,000
- Public Art Assembly		6,730	0	6,730
- The Singapore Story Assembly		4,800	0	4,800
Bicentennial public art		800	0	800
Tour fees		15,135	0	15,135
		<u>35,465</u>	<u>0</u>	<u>35,465</u>
<b>Other income</b>				
Wages credit scheme		4,422	0	4,422
Miscellaneous income		779	0	779
		<u>5,201</u>	<u>0</u>	<u>5,201</u>
<b>TOTAL INCOME</b>		<u>645,580</u>	<u>195,440</u>	<u>841,020</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund	Cultural Matching Fund	
<b>2020 (CONT'D)</b>	Note	S\$	S\$	S\$
<b>EXPENDITURE</b>				
<b>Cost of generating funds</b>				
Fund raising expenses	6	65,395	0	65,395
<b>Cost of charitable activities</b>				
Service projects				
- Community programme		20,084	0	20,084
- Gillman Barracks		9	0	9
- IMPART programme		207,130	1,605	208,735
- School programme		73	0	73
- AO volunteer program		5,439	0	5,439
- Art Encounters		88,489	0	88,489
Staff costs	7	69,981	120,592	190,573
Tour fees		7,470	0	7,470
		<u>398,675</u>	<u>122,197</u>	<u>520,872</u>
<b>Governance and administrative costs</b>				
Accounting fee		7,062	0	7,062
Audit fees		6,313	2,354	8,667
Bank charges		870	44	914
Depreciation		14,665	0	14,665
Insurance		1,136	0	1,136
Leases		36,369	0	36,369
Marketing and communication		1,502	0	1,502
Office equipment		17,540	0	17,540
Office supplies		225	0	225
Postage and courier		59	0	59
Printing and stationery		1,632	0	1,632
Refreshment		1,636	0	1,636
Secretarial fee		2,122	0	2,122
Staff costs	7	46,545	0	46,545
Staff recruitment		23	0	23
Telephone		2,155	0	2,155
Transportation		3,161	0	3,161
Trademark and licenses		715	0	715
Upkeep of office		16,240	0	16,240
Penalty		62	0	62
Utilities		1,931	0	1,931
Website hosting and maintenance		362	0	362
		<u>162,325</u>	<u>2,398</u>	<u>164,723</u>
<b>Finance cost</b>				
Interest expense on lease liabilities		284	0	284
<b>TOTAL EXPENDITURE</b>		<u>626,679</u>	<u>124,595</u>	<u>751,274</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		<u>18,901</u>	<u>70,845</u>	<u>89,746</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund S\$	Cultural Matching Fund S\$	S\$
<b>2019</b>				
<b>INCOME</b>				
<b>Income from generating funds</b>				
<u>Voluntary income</u>				
Donations		8,510	0	8,510
<u>Activities for generating funds</u>				
Gala Dinner and Auction proceeds	6	294,400	0	294,400
<u>Grants:</u>				
- Cultural Matching Grant		0	248,852	248,852
- National Arts Council - Arts Space Open Call Scheme		21,300	0	21,300
- National Arts Council - Project Grant - Art Week 2019		45,000	0	45,000
- National Arts Council - Project Grant - The ARTery 2019		192,275	0	192,275
- National Arts Council - Major Grant		105,000	0	105,000
- Tote Board Fundraising Grant		50,000	0	50,000
- Singapore Tourism Board Sponsorship - IMPART Symposium		13,097	0	13,097
		426,672	248,852	675,524
		729,582	248,852	978,434
<b>Income from charitable activities</b>				
<u>Service income</u>				
- Art in the MRT		17,600	0	17,600
- Public Art Assembly		4,800	0	4,800
- The Singapore Story Assembly		8,800	0	8,800
Booth rental income - The ARTery 2019		31,984	0	31,984
Merchandise sales		11,450	0	11,450
Tour fees		23,655	0	23,655
		98,289	0	98,289
<b>Other income</b>				
Temporary employment credit		158	0	158
Wages credit scheme		8,500	0	8,500
Child care leave		470	0	470
Miscellaneous income		46	0	46
		9,174	0	9,174
<b>TOTAL INCOME</b>		837,045	248,852	1,085,897



**STATEMENT OF FINANCIAL ACTIVITIES  
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General fund S\$	Cultural Matching Fund S\$	S\$
<b>2019 (CONT'D)</b>	Note			
<b>EXPENDITURE</b>				
<b>Cost of generating funds</b>				
Fund raising expenses	6	64,415	23,837	88,252
<b>Cost of charitable activities</b>				
Service projects				
- Assembly programme		10,838	0	10,838
- Community programme		12,935	0	12,935
- Gillman Barracks		26,393	0	26,393
- IMPART programme		120,870	0	120,870
- School programme		1,307	0	1,307
- The ARTery 2020		215,694	0	215,694
Staff costs	7	141,189	9,467	150,656
Tour fees		13,232	0	13,232
		<u>542,458</u>	<u>9,467</u>	<u>551,925</u>
<b>Governance and administrative costs</b>				
Accounting fee		6,741	0	6,741
Audit fees		7,062	0	7,062
Bank charges		3,689	41	3,730
HR service fee		7,290	0	7,290
Leases		21,984	0	21,984
Marketing and communication		831	0	831
Office equipment		4,747	0	4,747
Office supplies		81	0	81
Postage and courier		231	0	231
Printing and stationery		365	0	365
Refreshment		257	0	257
Staff costs	7	65,660	9,429	75,089
Staff recruitment		855	0	855
Telephone		2,302	0	2,302
Transportation		172	0	172
Trademark and licenses		174	0	174
Upkeep of office		1,078	0	1,078
Utilities		1,122	0	1,122
Website hosting and maintenance		2,821	0	2,821
		<u>127,462</u>	<u>9,470</u>	<u>136,932</u>
<b>TOTAL EXPENDITURE</b>		<u>734,335</u>	<u>42,774</u>	<u>777,109</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		<u>102,710</u>	<u>206,078</u>	<u>308,788</u>

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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	2020 S\$	2019 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	618,952	811,871
Other receivables	10	<u>155,023</u>	<u>37,917</u>
		773,975	849,788
<b>Non-current assets</b>			
Plant and equipment	11	<u>188,454</u>	<u>0</u>
<b>Total assets</b>		<u>962,429</u>	<u>849,788</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	12	7,015	46,501
Lease liabilities	13	<u>34,338</u>	<u>0</u>
		41,353	46,501
<b>Non-current liability</b>			
Lease liabilities	13	<u>28,043</u>	<u>0</u>
<b>Total liabilities</b>		<u>69,396</u>	<u>46,501</u>
<b>NET ASSETS</b>		<u>893,033</u>	<u>803,287</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
General fund	14	616,110	597,209
<b>Restricted fund</b>			
Cultural Matching Fund	14	<u>276,923</u>	<u>206,078</u>
<b>Total funds</b>		<u>893,033</u>	<u>803,287</u>

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

**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at the end of financial year S\$
<b>2020</b>			
<b>Unrestricted fund</b>			
General Fund	597,209	18,901	616,110
<b>Restricted fund</b>			
Cultural Matching Fund	<u>206,078</u>	<u>70,845</u>	<u>276,923</u>
Total funds	<u>803,287</u>	<u>89,746</u>	<u>893,033</u>
	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at the end of financial year S\$
<b>2019</b>			
<b>Unrestricted fund</b>			
General Fund	494,499	102,710	597,209
<b>Restricted fund</b>			
Cultural Matching Fund	<u>0</u>	<u>206,078</u>	<u>206,078</u>
Total funds	<u>494,499</u>	<u>308,788</u>	<u>803,287</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2020 S\$	2019 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		89,746	308,788
Adjustments for:			
- Depreciation	11	14,665	0
- Interest expense on lease liabilities		284	0
Operating cash flows before working capital changes		<u>104,695</u>	<u>308,788</u>
Changes in working capital			
- Other receivables		(117,106)	(18,435)
- Other payables		<u>(39,486)</u>	<u>30,039</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(51,897)</u>	<u>320,392</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment, representing net cash used in investing activity		<u>(138,165)</u>	<u>0</u>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(2,573)	0
Interest paid	17	<u>(284)</u>	<u>0</u>
<b>Net cash used in financing activities</b>		<u>(2,857)</u>	<u>0</u>
<b>Net increase in cash and cash equivalents</b>		(192,919)	320,392
Cash and cash equivalents at beginning of financial year		<u>811,871</u>	<u>491,479</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u>618,952</u>	<u>811,871</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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

**1. General information**

Art Outreach Singapore Limited (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at 47 Malan Road, #01-24, Gillman Barracks, Singapore 109444.

The principal activities of the Company are as follows:

- (a) To promote, foster, improve, develop and inculcate interest in the visual arts in Singapore Schools;
- (b) To undertake an arts education programme for schools in Singapore;
- (c) To produce, manage and conduct arts appreciation talks, seminars, workshops, master classes, exhibitions for teachers, parents and school children in Singapore;
- (d) 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; and
- (e) To do such other lawful things as are incidental of conductive to the attainment of the above object and provided that nothing shall be done for commercial reasons or solely for profit.

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 2019 to 31 March 2022.

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.

**2. Significant accounting policies****2.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Charities Act (Chapter 37). 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 Dollar ("S\$"), which is the Company's functional currency.

The preparation of these financial statements in conformity with the FRSs requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

## **2. Significant accounting policies (Cont'd)**

### **2.1 Basis of preparation (Cont'd)**

#### **2.1.1 Interpretations and amendments to published standards effective in 2020**

In the current financial year, the Company adopted the new or amended FRSs and Interpretations of the FRS ("INT FRSs") that are mandatory for the financial year. Changes to Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

#### Adoption of FRS 116 Leases

The Company has adopted the new standard using the modified retrospective method with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of accumulated fund. The Company elected to use the transition practical expedient to not assess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

#### Lease previously accounted for as operating leases

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis. The Company's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.12.

There were no onerous contracts as at 1 April 2019.

Operating lease commitment as at 31 March 2019 relate to the short-term lease of the office premises.

There are no financial impact on the initial adoption of FRS 116 as at 1 April 2019.

#### **2.1.2 Standards issued but not yet effective**

The Company has not adopted the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued but are not yet effective:

Description	Annual periods commencing on or after
Amendments to:	
- References to the Conceptual Framework in FRS Standards	1 January 2020
- FRS 1 and FRS 8 Definition of Material	1 January 2020
- FRS 103 Definition of a Business	1 January 2020
- FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 January 2020
- FRS 116 Covid-19 Related Rent Concessions	1 June 2020
- FRS 110 and FRS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Date to be determined

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**2. Significant accounting policies (Cont'd)****2.1 Basis of preparation (Cont'd)****2.1.2 Standards issued but not yet effective (Cont'd)**

The directors believe that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the year of initial application.

**2.2 Income recognition**

Income is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Company satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

**2.2.1 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.

**2.2.2 Rendering of services and programme fees**

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

**2.2.3 Rental income**

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

**2.2.4 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.

**2.2.5 Other income**

Other income is recognised upon receipt.

**2.3 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.

## **2. Significant accounting policies (Cont'd)**

### **2.4 Expenditure recognition**

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible, where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### **2.4.1 Cost of generating funds**

Cost of generating funds comprises all directly attributable costs incurred in the fundraising activities, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

#### **2.4.2 Cost of charitable activities**

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total costs of charitable expenses are apportionment of overhead and shared costs.

#### **2.4.3 Governance and administrative costs**

Governance and administrative costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### **2.5 Plant and equipment**

#### **2.5.1 Measurement**

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the plant and equipment.



## **2. Significant accounting policies (Cont'd)**

### **2.5 Plant and equipment (Cont'd)**

#### 2.5.2 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computers and software	5 years
Furniture and fixtures	3 years
Office equipment	3 years
Renovation	3 years
Premises	Over the remaining lease term

Fully depreciated plant and equipment are retained in the financial statement until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, each reporting date. The effects of any revision of the residual value and useful lives are included in the statement of financial activities on the financial year that the charges arise.

#### 2.5.3 Subsequent expenditure

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

#### 2.5.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is recognised in statement of financial activities.

### **2.6 Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

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**2. Significant accounting policies (Cont'd)****2.6 Impairment of non-financial assets (Cont'd)**

An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

**2.7 Financial assets****2.7.1 Classification and measurement**

The Company classifies its financial assets as at amortised cost.

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

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

**(i) At initial recognition**

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

**(ii) At subsequent measurement**

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

**2.7.2 Impairment**

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

## **2. Significant accounting policies (Cont'd)**

### **2.7 Financial assets (Cont'd)**

#### **2.7.3 Recognition and derecognition**

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

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

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

### **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

### **2.9 Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" and "Lease liabilities" in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different 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 respective carrying amounts is recognised in the statement of financial activities.

### **2.10 Other payables**

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

### **2.11 Employee compensation**

#### **2.11.1 Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

**2. Significant accounting policies (Cont'd)**

**2.11 Employee compensation (Cont'd)**

**2.11.2 Employee leave entitlement**

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

**2.12 Leases**

2.12.1 The accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

When the Company is the lessee:

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

2.12.2 The accounting policies are applied on or after the initial application date of FRS 116, 1 April 2019:

When the Company is the lessee:

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.

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.

a. Right-of-use asset

The Company recognised a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, with depreciation expense recognised under the statement of financial activities. The Company's right-of-use asset is presented within the "Plant and equipment" as disclosed in Note 11.

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**2. Significant accounting policies (Cont'd)****2.12 Leases (Cont'd)**

2.12.2 The accounting policies are applied on or after the initial application date of FRS 116, 1 April 2019: (Cont'd)

a. Right-of-use asset (Cont'd)

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 2.6.

b. Lease liability

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's lease liabilities are disclosed in Note 13.

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**2. Significant accounting policies (Cont'd)****2.12 Leases (Cont'd)**

2.12.2 The accounting policies are applied on or after the initial application date of FRS 116, 1 April 2019: (Cont'd)

c) Short-term leases and leases of low-value assets

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the statement of financial activities on a straight-line basis over the lease term.

d) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

**2.13 Borrowing costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of financial activities in the period in which they are incurred.

**2.14 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

**2.15 Funds**

Restricted funds balance are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

**2.16 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

## 2. Significant accounting policies (Cont'd)

### 2.17 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

## 3. Critical accounting estimates, assumptions 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.

### 3.1 Critical accounting estimates and assumptions

The Company is of the opinion that there are no significant judgments made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, the management has made certain judgment, apart from those involving estimations, which has significant effect on the amounts recognised in the financial statements is discussed below.

#### Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

## 4. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers:

	2020 S\$	2019 S\$
Donations	18,237	8,510
Gala Dinner and Auction proceeds	280,216	294,400
Service income	19,530	31,200
Booth rental income	0	31,984
Merchandise sales	0	11,450
Bicentennial Public Art	800	0
Tour fees	15,135	23,655
Other income	5,201	9,174
	<u>339,119</u>	<u>410,373</u>

All revenue are recognised at a point in time.

There are no contract liabilities balances as at 31 March 2020 and 2019.

## 5. Donations

	2020 S\$	2019 S\$
Tax deductible	155,774	190,040
Non-tax deductible	1,655	38,370
	<u>157,429</u>	<u>228,410</u>

The donations were allocated as follows:

• Donations		
- Tax deductible	18,182	7,740
- Non-tax deductible	55	770
• Gala Community Program Sponsorship		
- Tax deductible	0	28,000
- Non-tax deductible	0	1,000
• Gala Auction Lots		
- Tax deductible	9,000	71,500
- Non-tax deductible	0	0
• Gala Table Sales		
- Tax deductible	57,792	63,600
- Non-tax deductible	600	36,600
• Impart Gala Donations		
- Tax deductible	70,800	19,200
- Non-tax deductible	1,000	0
	<u>157,429</u>	<u>228,410</u>

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$155,774 (2019: S\$193,840) pursuant to its IPC status.

## 6. Fund raising – Gala dinner

	2020 S\$	2019 S\$
<b>Income</b>		
Community Program Sponsorship	52,800	29,000
Fund raising from Gala Auction Lots	150,024	146,000
Fund raising from Gala Table Sales	58,392	100,200
IMPART Fund Raising Gala Donations	19,000	19,200
	<u>280,216</u>	<u>294,400</u>
<b>Expenditures</b>		
IMPART Fund Raising Gala	65,395	67,428
IMPART Symposium	0	20,824
	<u>65,395</u>	<u>88,252</u>
Net income from fund raising – gala dinner	<u>214,821</u>	<u>206,148</u>
Percentage of fund raising expenditures over fund raising income	<u>23%</u>	<u>30%</u>



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**7. Staff costs**

	2020 S\$	2019 S\$
Staff salaries, allowance and bonuses	218,315	213,896
Staff training	2,126	505
Staff welfare	2,100	251
Employer's contribution to CPF	14,293	10,830
SDL	284	263
	<u>237,118</u>	<u>225,745</u>

	2020 S\$	2019 S\$
The staff costs were allocated as follows:		
- Cost of charitable activities	190,573	150,656
- Governance and administrative costs	46,545	75,089
	<u>237,118</u>	<u>225,745</u>

**8. Income tax**

The Company is a registered charity under the Charities Act, Chapter 37 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 Cap. 134.

**9. Cash and cash equivalents**

	2020 S\$	2019 S\$
Cash on hand	0	26
Cash at bank	618,952	811,845
	<u>618,952</u>	<u>811,871</u>

At the reporting date, the carrying amount of cash and cash equivalents approximate its fair values.

**10. Other receivables**

	2020 S\$	2019 S\$
Service and fee receivables	97,195	4,125
Grant receivables	50,000	16,100
Sponsorship receivables	0	13,097
Security deposits	7,828	4,595
	<u>155,023</u>	<u>37,917</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.

### 11. Plant and equipment

	Computers and software S\$	Furniture and fixtures S\$	Office equipment S\$	Renovation S\$	Project Equipment S\$	Premises S\$	Total S\$
<b>Cost</b>							
At 1 April 2019 and 31 March 2019	21,625	5,641	8,972	29,458	0	0	65,696
Additions	0	0	0	0	138,165	64,954	203,119
At 31 March 2020	<u>21,625</u>	<u>5,641</u>	<u>8,972</u>	<u>29,458</u>	<u>138,165</u>	<u>64,954</u>	<u>268,815</u>
<b>Accumulated depreciation</b>							
At 1 April 2018 and 31 March 2019	21,625	5,641	8,972	29,458	0	0	65,696
Depreciation	0	0	0	0	11,959	2,706	14,665
At 31 March 2020	<u>21,625</u>	<u>5,641</u>	<u>8,972</u>	<u>29,458</u>	<u>11,959</u>	<u>2,706</u>	<u>80,361</u>
<b>Carrying amount</b>							
At 31 March 2019	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2020	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,206</u>	<u>62,248</u>	<u>188,454</u>

Right-of-use asset acquired under leasing arrangement is presented together with the owned assets of the same class. Details of the leased asset is disclosed in Note 17.

## 12. Other payables

	2020 S\$	2019 S\$
Accruals	6,699	10,178
Other payables	316	36,323
	<u>7,015</u>	<u>46,501</u>

Other payables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

At the reporting date, the carrying amounts of other payables approximate their fair values.

## 13. Lease liabilities

	2020 S\$	2019 S\$
Current	34,338	0
Non-current	28,043	0
	<u>62,381</u>	<u>0</u>

A reconciliation of liabilities arising from financing activities is as follow:

	1 April 2019	Additions	Cash flows S\$	Non-cash changes		31 March 2020 S\$
				Accretion of interest S\$	Others S\$	
Liabilities						
Lease liabilities						
- Current	0	34,338	(2,857)	284	2,573	34,338
- Non-current	0	30,616	0	0	(2,573)	28,043
Total	0	64,954	(2,857)	284	0	62,381

## 14. Funds

Funds comprise of unrestricted and restricted funds.

### a) Unrestricted general fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company.

### b) Restricted fund

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its company purposes.

#### 14. Funds (Cont'd)

Restricted funds comprise:

##### **Cultural Matching Fund ("CMF")**

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 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.

#### 15. Related party transactions

##### (a) Related party transactions and balances

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its related parties took place at terms agreed between the parties during the financial year:

	2020 S\$	2019 S\$
Donation received from the directors	12,000	10,800
Donation received from other related parties	<u>6,000</u>	<u>8,000</u>

Other related parties refer to parties closely related to the Company's directors.

##### (b) Remuneration of key management personnel

The remuneration of key management personnel during the financial year is as follows:

	2020 S\$	2019 S\$
<u>Executive Director/Manager and Chief Creative</u>		
Salaries, allowance and bonuses	<u>53,240</u>	<u>76,250</u>
Post-employment benefits:		
Central Provident Fund	9,051	0
Skill Development Levy	<u>63</u>	<u>110</u>
	<u>9,114</u>	<u>110</u>

During the current and previous year, none of the Directors received any remuneration from the Company.

**16. Employees' remuneration**

During the current and previous year, none of the Company's employees were remunerated more than or equal to S\$100,000.

**17. Leases**

The carrying amount of the right-of-use asset classified within the plant and equipment is as follows:

	2020 S\$
<u>Premises</u>	
At 1 April 2019	0
Additions	64,954
Depreciation	<u>(2,706)</u>
At 31 March 2020	<u>62,248</u>

**Amount recognised in the statement of financial activities:**

	2020 S\$
Depreciation	2,706
Interest expense on lease liabilities	<u>284</u>
Total	<u>2,990</u>

Total cash outflow:

The Company had a total cash outflows for leases amounting to S\$39,226 in 2020.

**18. Commitments**

The Company leases office premise from a non-related party under non-cancellable operating lease agreement.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities was as follow:

	2020 S\$	2019 S\$
Not later than one year	<u>0</u>	<u>14,548</u>

The Company has adopted FRS 116 on 1 April 2019. These lease payments have been assessed by the Company as short-term operating lease.

## 19. Financial instruments by category

The aggregate carrying amounts of financial assets and financial liabilities at amortised costs are as follows:

	2020	2019
	S\$	S\$
Financial assets, at amortised cost	773,975	849,788
Financial liabilities, at amortised cost	69,396	46,501

## 20. Financial risk management

The Company is mainly exposed to credit risk, liquidity risk and interest rate risk.

Risk management is carried out under policies approved by the Board of Directors. The Board reviews and agrees on policies and procedures for management of these risks.

### 20.1 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 cash and cash equivalents and other receivables.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies.

For other receivables, the Company adopts the policy of dealing only with high credit rating counterparties. The Company has applied the general 3 stage approach in FRS 109 to measure the loss allowance at 12-months expected credit loss (ECL) due to the counterparty has a low risk of default and does not have any past due amounts.

### 20.2 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets or liabilities.

The Company manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the directors to fund the Company's charitable activities.

## 20. Financial risk management (Cont'd)

### 20.2 Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents	618,952	0	618,952
Other receivables	155,023	0	155,023
	<u>773,975</u>	<u>0</u>	<u>773,975</u>
<b>Financial liabilities</b>			
Other payables	(7,015)	0	(7,015)
Lease liability	(34,283)	(31,426)	(65,709)
	<u>(41,298)</u>	<u>(31,426)</u>	<u>(72,724)</u>
Net financial assets / (liabilities)	<u>732,677</u>	<u>(31,426)</u>	<u>701,251</u>
	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2019</b>			
<b>Financial assets</b>			
Cash and cash equivalents	811,871	0	811,871
Other receivables	37,917	0	37,917
	<u>849,788</u>	<u>0</u>	<u>849,788</u>
<b>Financial liabilities</b>			
Other payables	(46,501)	0	(46,501)
Net financial assets	<u>803,287</u>	<u>0</u>	<u>803,287</u>

### 20.3 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 income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

## 21. Fair values

As at 31 March 2020, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

The carrying amounts of lease liabilities approximate their fair values as they are subject to interest rate close to market rate of interests for similar arrangements with financial institutions.

## 22. Reserve policy and position

The Company's reserve position for financial year ended 31 March 2020 is as follows:

		2020	2019	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general fund	616	597	3.18
B	Restricted or Designated funds			
	Designated funds	N/A	N/A	
	Restricted funds	277	206	34.47
C	Endowment funds	N/A	N/A	
D	Total funds	893	803	11.21
E	Total annual operating expenditure	751	777	(3.35)
F	Ratio of funds to annual operating expenditure (A/E)	0.82	0.77	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative Costs.

The Company's Reserve Policy is as follows:

The reserves that the management have set aside provide financial stability and the means for the development of the Company's principal activity. The management intend to establish the reserves at a level equivalent to 1 year of operating expenditure through increasing awareness of their activities, seeking more donors both private and corporate and fund-raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil their continuing obligations.

## 23. Management of conflict of interest

There is no paid staff in the Company's Board of Directors.

The Board of Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Director may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.



**24. Events occurring after the reporting date**

The novel coronavirus (COVID-19) outbreak in early 2020 did not have a material impact on the performance of the Company. However, since the outbreak was declared a Public Health Emergency of International Concern, the measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered a disruption to the Company's activities resulting in the rescheduling of its project events.

The Directors determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of activities as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government's responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

**25. Authorisation of financial statements**

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on

**29 NOV 2020**