O SCHOOL LTD.
[UEN. 200905934E]
AND ITS SUBSIDIARY

[A company limited by guarantee and not having a share capital]
[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONTENTS

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

DIRECTORS' STATEMENT

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2019

The directors present their statement to the members together with the audited consolidated financial statements of O School Ltd. (the "Company") and its subsidiary (collectively the "Group") and the audited financial statements of the Company for the financial year ended 31 March 2019.

In the opinion of the directors,

a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2019 and the financial performance, changes in fund and cash flows of the Group 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 of the Company in office at the date of this statement are as follows:

Low Heng Khuen
June Chiam Wei Wei
Lester Chan Choon Yew
Matthias Yeo Chiow Leng
Elim Chew Soo Gim (Appointed on 13 August 2019)

Arrangements to enable the directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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 directors,

__________________________	__________________________
Low Heng Khuen	June Chiam Wei Wei
Director	Director

Singapore,

INDEPENDENT AUDITOR'S REPORT

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of O School Ltd. (the "Company") and its subsidiary (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and of the Company as at 31 March 2019, and the statement of financial activities, statement of changes in fund and statement of cash flows of the Group for the year then ended, and notes to the consolidated 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 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 Group and the Company as at 31 March 2019, and of the financial performance, changes in the fund and cash flows of the Group 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governanace 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Group'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 Group's internal control.

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

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with 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 and by its subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

Report on Other Legal and Regulatory Requirements (Cont'd)

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

(a) the Company has not used the donation moneys in accordance with its 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,

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2019

	NOTE	GROUP 2019	GROUP 2018
INCOME			
Income from generating funds			
Voluntary income			
Tax-exempt donations	5	13,688	7,300
Non-tax exempt donations		5,240	5,000
Grants	6	530,659	436,399
Total income from generating funds		**549,587**	**448,699**
Income from charitable activities			
Dance class fees	4	544,864	601,319
Project and performance income	4	39,649	14,321
Sale of goods	4	178	1,810
Ticketing sales	4	60,364	84,084
Total income from charitable activities		**645,055**	**701,534**
Other income			
Dance class fees		129,519	91,856
Miscellaneous income	7	14,386	24,917
Project and performance income		152,767	136,617
Rental income		53,319	60,556
Sale of goods		105	-
School income		371,692	270,565
Sponsorship income		-	17,500
Ticketing sales		19,416	56,698
Total other income	4	**741,204**	**658,709**
Total income		**1,935,846**	**1,808,942**
EXPENSES			
Cost of charitable activities	8	736,548	561,390
Other expenses	8	648,668	628,792
Governance and administrative costs	8	542,012	568,838
Total expenses		**1,927,228**	**1,759,020**
NET INCOME BEFORE INCOME TAX		8,618	49,922
INCOME TAX			
Income tax benefit	9	334	-
NET INCOME FOR THE FINANCIAL YEAR		8,952	49,922
General fund brought forward		132,820	82,898
General fund carried forward		141,772	132,820

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

O School Ltd. [UEN. 200905934E] and Its Subsidiary
As at 31 March 2019

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
ASSETS					
Current Assets					
Cash and cash equivalents	10	159,930	145,238	86,037	107,382
Trade and other receivables	11	167,310	160,543	108,373	61,187
Inventories	12	7,276	6,887	6,776	6,887
Total Current Assets		**334,516**	**312,668**	**201,186**	**175,456**
Non-Current Assets					
Investment in subsidiary	13	-	-	5,000	5,000
Property, plant and equipment	14	10,197	21,933	6,315	12,720
Total Non-Current Assets		**10,197**	**21,933**	**11,315**	**17,720**
Total Assets		**344,713**	**334,601**	**212,501**	**193,176**
LIABILITIES					
Current Liabilities					
Trade and other payables	15	202,941	201,671	123,087	118,666
Current tax liability	9	-	110	-	-
Total Liabilities		**202,941**	**201,781**	**123,087**	**118,666**
NET ASSETS		141,772	132,820	89,414	74,510
FUND					
Unrestricted fund					
Accumulated fund		141,772	132,820	89,414	74,510
TOTAL FUND		141,772	132,820	89,414	74,510

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

CONSOLIDATED STATEMENT OF CHANGES IN FUND

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2019

	GROUP 2019	GROUP 2018
UNRESTRICTED FUND		
Accumulated fund		
Balance at beginning of financial year	132,820	82,898
Net income for the financial year	8,952	49,922
Balance at end of financial year	**141,772**	**132,820**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2019

	NOTE	GROUP 2019	GROUP 2018
Cash flows from operating activities			
Net income before income tax		8,618	49,922
Adjustment for:			
Depreciation	14	14,692	17,231
Operating cash flow before changes in working capital		23,310	67,153
Changes in working capital			
Trade and other receivables		(6,767)	(1,352)
Inventories		(389)	(642)
Trade and other payables		1,270	(29,165)
Cash generated from operations		17,424	35,994
Income tax refunded / (paid)	9	224	(236)
Net cash generated from operating activities		**17,648**	**35,758**
Cash flows from investing activity			
Purchase of property, plant and equipment, representing net cash used in investing activity	14	(2,956)	(5,958)
Net increase in cash and cash equivalents		**14,692**	**29,800**
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of financial year		145,238	115,438
Cash and cash equivalents at end of financial year	10	159,930	145,238
Net change in cash and cash equivalents		**14,692**	**29,800**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

O School Ltd. [UEN. 200905934E] and Its Subsidiary

For the year ended 31 March 2019

1. General information

O School Ltd. (the "Company") was incorporated on 2 April 2009 as a company limited by guarantee and not having a share capital. The Company is registered as a charity under the Charities Act, Chapter 37 on 19 April 2010. The Company was accorded as an Institution of a Public Character ("IPC") status for the period from 21 May 2018 to 20 September 2019.

The address of the Company's registered office and principal place of business is at 2 Orchard Link, #04-04 Scape, Singapore 237978.

The principal activities of the Company are to conduct art classes and choreography lessons, sales of dance apparel and event or concert organiser. Its mission is to inspire youths to pursue their dreams and bringing dance to masses. The principal activities of the subsidiary are event management, production, design and agency work and agents for artistes, athletes, models and other performers.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar ("S$"), which is the Group's functional currency.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Group'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 estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2018

On 1 April 2018, the Group adopted the new or amended FRSs and Interpretations to FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Group'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 FRSs and INT FRSs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

New or amended Standards and Interpretations not yet effective

The Group has not adopted the following new/revised FRS, INT FRS and amendments to FRS that were issued but not yet effective.

Description	Effective for annual periods commencing on
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over income tax*	1 January 2019
Amendments to FRS 109 *Financial instruments* (Prepayment features with negative compensation)	1 January 2019
Amendments FRS 19 *Employee benefits* (Plan amendments, curtailment and settlement)	1 January 2019

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

New or amended Standards and Interpretations not yet effective (Cont'd)

Except for FRS 116, the management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of the initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of low value assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets, total liabilities and earnings before interest, taxes, depreciation and amortisation.

2.2 Income recognition

Income is measured based on the consideration to which the Group 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 Group satisfies a performance obligation by transferring a promise good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations and sponsorship

Donations and sponsorship are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

2.2.3 School fee and dance class fee

School fee and dance class fee are recognised when the service has been performed.

2.2.4 Project and performance income

Project and performance income is recognised upon completion of projects or performance.

2.2.5 Ticketing sales

Revenue from sale of tickets is recognised when the production/service has been performed.

2.2.6 Sale of goods

Income from the sale of goods is recognised when the Group has delivered the products to the buyer, the buyer has accepted the products, and the collectability of the related receivables is reasonably assured.

2.2.7 Management fees

Management fees are recognised when services are rendered and the fees are accepted.

2.2.8 Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

2.2.9 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Expense recognition

All expenses are accounted for on an 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.

2.3.1 Cost of charitable activities

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

2.3.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Group, 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.

2.3.3 Other expenditure

Other expenditure includes the payment of any expenditure that the Group has not been able to analyse within the main expenditure categories.

2.4 Operating leases

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 consolidated 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 consolidated statement of financial activities.

2.5 Employee compensation

2.5.1 Defined contribution plans

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

2.5.2 Employee leaves 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 reporting date.

2.6 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

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

2. Significant accounting policies (Cont'd)

2.6 Income taxes (Cont'd)

Deferred income tax is measured:

a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

b) based on the tax consequence that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the consolidated statement of financial activities, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.7 Financial assets

2.7.1 The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables
Cash and cash equivalent
Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.7.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Group classifies its financial assets into the following measurement category:

- Amortised cost

The classification of debt instruments depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

2.7.2.1 At initial recognition

At initial recognition, the Group measures a financial assets 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.

2.7.2.2 At subsequent measurement

Debt instruments of the Group mainly comprise of cash and cash equivalents and trade 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 characteristics of the assets. The Group managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade and other receivables, the Group applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents, 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)

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with a financial institution that are subject to an insignificant risk of change in value.

2.9 Inventories

Inventories comprising T-shirts and caps are valued at the lower of cost and net realisable value. Cost comprises of purchase and other costs incurred in bringing the inventories to their present location and condition and are determined on a first-in, first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary cost to make the sale.

2.10 Property, plant and equipment

2.10.1 Measurement

All property, 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 property, 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 property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.10.2 Depreciation

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

	Useful lives
Furniture and fittings	5 years
Office equipment	3 years
Renovation	3 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in consolidated statement of financial activities when the changes arise.

2.10.3 Subsequent expenditure

Subsequent expenditure relating to property, 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 consolidated statement of financial activities when incurred.

2.10.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.11 Investment in subsidiary

2.11.1 Consolidation

Subsidiary is an entity over which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of voting rights. The existence and effect of potential voting rights are currently exercisable or convertible is considered when assessing whether the Company controls another entity. A subsidiary is consolidated from the date on which control is transferred to the Company. They are de–consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non–controlling interests are that part of the net results of operations and net assets of a subsidiary attributable to the interest which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of financial activities, consolidated statement of changes in fund and statement of financial position. Net income is attributed to the non–controlling interests based on their respective interests in a subsidiary, even if this results in the non–controlling interest having a deficit balance.

2.11.2 Acquisition of business

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any–pre–existing equity interest in the subsidiary.

Acquisition–related costs are expensed as incurred.

2.11.3 Disposal of subsidiary business

When a change in the Company’s ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the consolidated statement of financial activities or transferred directly to accumulated fund if required by a specific standard.

2.12 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) 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, the 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 is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated statement of financial activities.

An impairment loss for an asset is reversed if and only 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 this 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 accumulated 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 consolidated statement of financial activities.

2. Significant accounting policies (Cont'd)

2.13 Trade and other payables

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

2.14 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group 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 Financial liabilities

Financial liabilities are recognised when the Group 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 consolidated statement of financial activites. Financial liabilities include “Trade and other payables” in the statement of financial position.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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 consolidated statement of financial activities.

2.16 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the directors. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The directors retain full control over the use of unrestricted funds for any of the Group’s purposes. There is no restricted fund at the end of the financial year.

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

At the reporting date, there were no critical accounting estimates and assumptions that may 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 Group’s accounting policies, the management has made certain judgement, apart from those involving estimations, which has significant effect on the amounts recognised in the financial statements.

3.2.1 Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year theses operating expenses were incurred and there is reasonable assurance that the Group 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 Group if the conditions are not met.

4. Revenue from contracts with customers

	NOTE	GROUP 2019	GROUP 2018
Disaggregation of revenue from contracts with customers			
Revenue			
Donations		18,928	12,300
Event income		60,364	84,084
Dance class fees		544,864	601,319
Project and performance income		39,649	14,321
Sale of merchandise		178	1,810
Other income		741,204	658,709
Total		**1,405,187**	**1,372,543**

	NOTE	GROUP 2019	GROUP 2018
Timing of transfer of goods or services			
At a point in time		751,209	873,505
Over time		653,978	499,038
Total		**1,405,187**	**1,372,543**

	NOTE	GROUP 2019	GROUP 2018
Contract liabilities			
Amounts received in advance for dance fees and registration fees relates to dance course registrations	15	72,624	61,722
Income recognised in relation to contract liabilities		61,722	-

The contract liabilities relate to the dance fees for the unsatisfied performance obligation in providing dance courses. Revenue will be recognised when services are rendered over the course period.

There is no significant change in contract liabilities balances.

5. Tax deductible receipts

Tax deductible receipts issued by the Company for donations received during the financial year, pursuant to its IPC status, are recorded as follows:

	NOTE	GROUP 2019	GROUP 2018
General Fund			
Tax exempt donations		13,688	7,300

	NOTE	GROUP 2019	GROUP 2018
6. Grants			
Grants from National Art Council - major grants		310,000	310,000
Grants from National Art Council - other grants		48,871	31,399
Grants from National Youth Council		171,788	95,000
Total		**530,659**	**436,399**

7. Miscellaneous income

	NOTE	GROUP 2019	GROUP 2018
Global Partnership Grant		-	5,915
Productivity and innovation credit		1,353	-
Temporary employment credit		1,108	3,022
Wage credit scheme		9,502	13,142
Others		2,423	2,838
Total		**14,386**	**24,917**

8. Expenses by function

	NOTE	GROUP 2019	GROUP 2018
Cost of charitable activities			
Accommodation		11,844	1,123
Air passage		10,341	-
Contractual services		187,834	112,300
Event		59,624	49,086
Honorarium		20,020	2,750
Merchandise	12	111	889
Props and costumes		1,464	11,348
Rental of equipment		122,952	-
Rental of premises		4,619	27,665
Staff costs - CPF and SDL contributions		39,318	47,642
Staff costs - director’s remuneration	16	53,352	32,252
Staff costs - salaries and bonuses		224,205	274,552
Staff costs - staff benefits		-	200
Staff costs - training and seminars		864	1,583
Total cost of charitable activities		**736,548**	**561,390**
Other expenses			
Air passage		1,874	2,762
Contractual services		374,192	282,954
Event		12,833	85,490
Props and costumes		18,428	7,542
Staff cost - CPF and SDL contributions		35,075	33,752
Staff cost - director’s remuneration	16	-	22,815
Staff cost - salaries and bonuses		204,334	189,430
Staff cost - training and seminars		1,932	4,047
Total other expenses		**648,668**	**628,792**

8. Expenses by function (Cont'd)

	NOTE	GROUP 2019	GROUP 2018
Governance and administrative costs			
Accessories and supplies		11,787	2,060
Accommodation		-	2,971
Advertising and publicity		1,860	1,281
Auditor's remuneration		10,058	9,095
Bank charges		636	313
Credit card charges		6,727	6,462
Depreciation	14	14,692	17,231
Food and refreshment		10,349	6,457
Gift and prizes		1,626	2,742
General expenses		9,291	9,389
Honorarium		5,398	35,935
Insurance		5,158	5,162
Marketing		3,224	66
Management and administrative fees		-	1,350
Professional fees		48,202	48,844
Printing and stationery		5,435	4,970
Rental - equipment		1,856	130
Rental - premises		324,244	347,413
Repair and maintenance		8,069	10,211
Staff costs - annual leave		7,196	2,245
Staff costs - medical fees		561	786
Staff costs - other benefits		-	1,685
Subscriptions		10,504	8,396
Telecommunication		3,839	5,091
Travelling		5,528	9,267
Utilities		27,050	21,350
Welfare and prizes		18,722	7,936
Total governance and administrative costs		**542,012**	**568,838**

9. Income tax

The Company is registered as a charity organisation under Charities Act, Chapter 37. Consequently, the income of the Company is exempted from income tax under the provisions of Section 13 of the Income tax Act, Chapter 134.

The Group’s income tax solely includes the loss before income tax attributable to its subsidiary.

9. Income tax (Cont'd)

	NOTE	GROUP 2019	GROUP 2018
9.1 Income tax benefit			
Tax benefit attributable to net income is made up of:			
Over-provision in prior year		(334)	-

The income tax benefit on the Group's net income differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	NOTE	GROUP 2019	GROUP 2018
Reconciliation of income tax			
Net income before income tax		8,618	49,922
Tax calculated at tax rate of 17%		1,465	8,487
Effects of:			
Expenses not deductible for tax purpose		1,269	1,410
Income not subject to tax		(2,766)	(12,507)
Deferred income tax asset not recognised		32	2,610
Over-provision in prior year		(334)	-
Tax benefit		(334)	-

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
9.2 Current income tax liability					
The movement of the account is as follows:					
Beginning of financial year		110	346	-	-
Over-provision in preceding financial year		(334)	-	-	-
Income tax paid		224	(236)	-	-
End of financial year		-	110	-	-

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group's subsidiary has unrecognised tax loss of S$31,700 (2018: S$31,500) at the reporting date which can be carried forward and used to offset future taxable income subject to meeting certain statutory requirements. The tax loss has no expiry date.

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
10. Cash and cash equivalents					
Cash in hand		2,800	2,800	1,000	1,000
Cash at bank		157,130	142,438	85,037	106,382
Total cash and cash equivalents		**159,930**	**145,238**	**86,037**	**107,382**

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018

11. Trade and other receivables

Trade receivables					
Subsidiary		-	-	18,285	-
Third parties		83,639	94,635	11,941	8,388
Total trade receivables		**83,639**	**94,635**	**30,226**	**8,388**
Other receivables					
Deposits		62,127	49,469	60,127	45,469
Grant receivables		18,020	-	18,020	-
Non-trade debtors		1,408	8,912	-	-
Prepayments		2,116	7,527	-	7,330
Total other receivables		**83,671**	**65,908**	**78,147**	**52,799**
Total trade and other receivables		**167,310**	**160,543**	**108,373**	**61,187**

Trade receivables are interest-free and are generally repayable within 30 (2018: 30) days' term.

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018

12. Inventories

T-shirts, DVDs and towels - at cost		7,276	6,887	6,776	6,887

The cost of inventories recognised as an expense and included in "Costs of charitable activities" amounted to S$111 (2018: S$889).

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018

13. Investment in subsidiary

Unquoted shares, at cost					
Balance at the beginning and end of financial year		-	-	5,000	5,000

Details of the subsidiary are as follows:

O2 Pte. Ltd. is incorporated and domiciled in Singapore. The principal activities of the subsidiary are event management, production, design and agency work and agents for artists, athletes, models and other performers.

	COMPANY 2019	COMPANY 2018

Equity held

O2 Pte. Ltd.		
Percentage equity held (%)	100	100

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018

14. Property, plant and equipment

Furniture and fittings					
Cost					
Beginning and end of financial year		11,411	11,411	11,411	11,411
Accumulated depreciation					
Beginning of financial year		9,734	9,039	9,734	9,039
Depreciation		694	695	694	695
End of financial year		**10,428**	**9,734**	**10,428**	**9,734**
Carrying amount		983	1,677	983	1,677
Office equipment					
Cost					
Beginning of financial year		62,433	56,475	31,582	31,582
Additions		256	5,958	256	-
End of financial year		**62,689**	**62,433**	**31,838**	**31,582**
Accumulated depreciation					
Beginning of financial year		51,809	43,562	30,171	28,809
Depreciation		6,455	8,247	1,124	1,362
End of financial year		**58,264**	**51,809**	**31,295**	**30,171**
Carrying amount		4,425	10,624	543	1,411
Renovation					
Cost					
Beginning of financial year		49,331	49,331	49,331	49,331
Additions		2,700	-	2,700	-
End of financial year		**52,031**	**49,331**	**52,031**	**49,331**
Accumulated depreciation					
Beginning of financial year		39,699	31,410	39,699	31,410
Depreciation		7,543	8,289	7,543	8,289
End of financial year		**47,242**	**39,699**	**47,242**	**39,699**
Carrying amount		4,789	9,632	4,789	9,632
Total cost		126,131	123,175	95,280	92,324
Total accumulated depreciation		115,934	101,242	88,965	79,604
Total carrying amount		10,197	21,933	6,315	12,720

Total depreciation expense of the Group during the year is S$14,692 (2018: S$17,231) and total additions during the year is S$2,956 (2018: S$5,958).

15. Trade and other payables

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Trade payables					
Subsidiary		-	-	-	9,900
Third parties		15,627	19,089	15,627	19,089
Total trade payables		**15,627**	**19,089**	**15,627**	**28,989**
Other payables					
Accruals		99,710	111,645	14,022	18,238
Amount due to a subsidiary		-	-	15,910	3,450
Deferred income	4	72,624	61,722	64,686	61,722
Provision for unutilised leave		8,025	9,215	5,887	6,267
Non-trade creditors		6,955	-	6,955	-
Total other payables		**187,314**	**182,582**	**107,460**	**89,677**
Total trade and other payables		**202,941**	**201,671**	**123,087**	**118,666**

Trade payables are interest-free and are generally repayable within 30 (2018: 30) days' term.

The non-trade amount due to a subsidiary is unsecured, interest-free and is repayable on demand.

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

16. Related party transactions

(a) The following transactions took place between the Group and the Company and related parties during the financial year at terms agreed between the parties:

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Transactions with related parties:					
Subsidiary					
O2 Pte. Ltd.					
Income					
Dance class fees		-	-	(210)	(56)
Project income		-	-	(3,500)	-
Rental income		-	-	(40,520)	(30,650)
Expenses					
Contractual services		-	-	7,022	2,080
Event		-	-	73,720	187,784
Marketing		-	-	5,850	10,500
Income collected on behalf of the Company		-	-	98,338	49,875
Income collected on behalf of the Subsdiary		-	-	-	(13,397)
Companies with common director					
City College Holdings Ltd					
Books and materials		120	-	120	-
Management services and administrative expenses		-	1,350	-	1,350
Repair and maintenance		-	2,400	-	2,400
Training courses		-	500	-	250
Transport		-	36	-	-

16. Related party transactions (Cont'd)

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Transactions with related parties: (Cont'd)					
Companies with common director (Cont'd)					
Little Big Pre-School Pte Ltd					
Dance class fees		-	(11,310)	-	-
Samuel Seow Corporate Services Pte Ltd					
Professional and secretarial fees		-	4,588	-	740
Company in which family members of directors have an interest					
Advante Consulting Pte Ltd					
Donations		(10,000)	(6,700)	(10,000)	(6,700)
Accounting, tax and payroll fees		37,389	39,100	16,021	16,987
A director					
Low Heng Khuen					
Claims and reimbursements		3,076	-	2,451	-

(b) The key management personnel compensation for the financial year was as follows:

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Key management personnel compensation					
Director's remuneration					
Salaries and other short-term benefits		45,600	42,792	45,600	23,292
Director’s fee		-	5,000	-	5,000
Post-employment benefits – CPF contributions		7,752	7,275	7,752	3,960
Total		**53,352**	**55,067**	**53,352**	**32,252**
Director's remuneration charged to the following expense class					
Cost of charitable activities	8	53,352	32,252	53,352	32,252
Other expenses	8	-	22,815	-	-
Total		**53,352**	**55,067**	**53,352**	**32,252**

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Remuneration band (less than S$50,000)					
Number of key management personnel		1	1	1	1

The remuneration of key management personnel is determined by the directors.

17. Management of conflict of interest

The directors are required to disclose any interest that they may have, whether directly or indirectly, that the Group may enter into or in any organisation that the Group has dealings with or is considering dealing with and any personal interests accruing to him as one of the Group’s supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected member of the Board 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.

18. Operating lease commitments

At the reporting date, the Group has commitments for future minimum lease payments under non-cancellable operating leases with a third party as follows:

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Future minimum lease payments					
Not later than one year		194,606	194,606	194,606	194,606
More than one year but not more than five years		32,435	227,041	32,435	227,041
Total		**227,041**	**421,647**	**227,041**	**421,647**

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

19. Reserve policy and position

The Company's reserve position for financial year ended 31 March 2019 and 2018 are as follows:

	COMPANY 2019	COMPANY 2018
	S$'000	S$'000
A Unrestricted Fund - accumulated fund	89	75
B Restricted or designated funds	-	-
C Endowment Funds	-	-
D Total funds	89	75
E Total Annual Operating Expenditure	1,290	1,192
F Ratio of Funds to Annual Operating Expenditure (A/E)	0.069	0.063

Reference:
C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation 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 Charitable Activities and Governance and Administrative Costs.

20. Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk, foreign currency risk, liquidity risk and credit risk.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement and exposure limits and hedging strategies, in accordance with the objectives and underlying principle approved by the Board of Directors.

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

20.1 Interest rate risk

The Group's revenue 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.

20. Financial risk management (Cont'd)

20.2 Foreign currency risk

The Group is not exposed to foreign currency exchange risk as all of its transactions are in Singapore Dollar, its functional currency.

20.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations due to shortage of funds. The Group exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities.

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

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Within one year					
Financial assets, at amortised cost / Loans and receivables					
Cash and cash equivalents		159,930	145,238	86,037	107,382
Trade and other receivables (excluding prepayments)		165,194	153,016	108,373	53,857
Total		**325,124**	**298,254**	**194,410**	**161,239**
Financial liability, at amortised cost					
Trade and other payables (excluding deferred income and provision for unutilised leave)		(122,292)	(130,734)	(52,514)	(50,677)

20.4 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

20. Financial risk management (Cont'd)

20.4 Credit risk (Cont'd)

Trade receivables are unsecured and the analysis of their aging is as follows:

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Trade receivables aging analysis					
Current		73,211	52,332	16,101	6,768
Past due but not impaired					
Within 30 days		7,813	-	9,400	-
31 to 60 days		1,090	5,912	1,350	1,620
61 days and above		1,525	36,391	3,375	-
Total trade receivables		**83,639**	**94,635**	**30,226**	**8,388**

Based on historical default rates, the Group believes that no impairment allowances are necessary in respect of trade receivable not past due or past due but not impaired. These receivables are mainly arising by customers that have a good credit record with the Group.

The Board of Directors is in the opinion that the trade receivables are not impaired.

20.4 Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Group approximate their fair values due to their short–term nature.

20.5 Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial laiblities at amortised costs are as follows;

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Financial assets, at amortised cost / Loans and receivables					
Cash and cash equivalents		159,930	145,238	86,037	107,382
Trade and other receivables (excluding prepayments)		165,194	153,016	108,373	53,857
Total		**325,124**	**298,254**	**194,410**	**161,239**

	NOTE	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Financial liabilities, at amortised cost					
Trade and other payables (excluding deferred income and provision for unutilised leave)		122,292	130,734	52,514	50,677

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on