

**O SCHOOL LTD.
AND ITS SUBSIDIARY**

[UEN. 200905934E]

[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 2023**

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Fiducia LLP

(UEN T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

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

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of **O School Ltd.** (the "Company") and its subsidiary (the "Group") for the financial year ended 31 March 2023.

In the opinion of the directors,

- a) the financial statements of the Company and the consolidated financial statements of the Group, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2023, and the financial performance, changes in fund and cash flows of the Group for the financial year ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group 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:

Saw Wei Jie
Low Heng Khuen
June Chiam Wei Wei
Chan Choon Yew, Lester
Matthias Yeo Chiow Leng
Elim Chew Soo Gim

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object 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 auditors

The independent auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Low Heng Khuen
Director

Chan Choon Yew, Lester
Director

Singapore,

Fiducia LLP

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Chartered Accountants of Singapore

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Independent auditor's report to the members of:

O SCHOOL LTD. AND ITS SUBSIDIARY

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **O School Ltd.** (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023, and the consolidated statement of financial activities, consolidated statement of changes in fund and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *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 (set out in page 2), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date.

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:

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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 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.

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Independent auditor's report to the members of:

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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 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.

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

During the course of our audit, nothing has come to our attention that caused 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,

Partner-in-charge: Gan Chek Huat
PAB. No.: 01939

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	Group	
		2023 S\$	2022 S\$
INCOME			
<u>Income from generating funds</u>			
Voluntary income			
- Donations	5	36,548	17,350
- Government grants	6	433,502	422,817
		<u>470,050</u>	<u>440,167</u>
<u>Income from charitable activities</u>			
Commission income		0	3,740
Dance class fees		384,778	363,729
Project and performance income		24,193	12,773
Ticketing sales		126,708	0
Sale of merchandise		15,373	190
		<u>551,052</u>	<u>380,432</u>
<u>Other income</u>			
COVID-19 related rent concessions		8,535	22,749
Government grant – Job growth incentive		4,406	4,692
Government grant – Jobs support scheme		0	143,249
Miscellaneous income	7	899,137	606,486
Rental income		60,643	28,631
		<u>972,721</u>	<u>805,807</u>
Total income		<u>1,993,823</u>	<u>1,626,406</u>
EXPENDITURE			
<u>Cost of charitable activities</u>			
Contractual services		129,535	109,521
Event expenses		69,348	31,603
Honorarium		17,989	35,728
Lease expenses - short term lease (studio premise)		46,431	400
Lease expenses - short term lease (equipment)		7,660	75
Merchandise	11	6,761	6,776
Props and costumes		351	5,318
Staff costs			
- CPF and SDL contributions		55,001	58,297
- Director's remuneration	20	57,798	57,798
- Salaries and bonuses		321,244	342,983
- Training and seminars		0	1,115
		<u>712,118</u>	<u>649,614</u>

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

	Note	Group	
		2023 S\$	2022 S\$
EXPENDITURE (CONT'D)			
<u>Other expenditure</u>			
Contractual services		479,611	329,767
Event expenses		50,708	1,648
Honorarium		9,883	850
Props and costumes		30	2,002
Staff costs			
- CPF and SDL contributions		37,734	35,013
- Salaries and bonuses		219,102	201,327
- Training and seminars		315	16
		<u>797,383</u>	<u>570,623</u>
<u>Governance and administrative costs</u>			
Accessories and supplies		42	4,751
Advertising and publicity		0	5,255
Auditor's remuneration		12,582	11,021
Bad debts		0	610
Bank charges		395	323
Credit card charges			0
Depreciation	13	255,429	130,085
Email & internet expenses		1,281	0
Food and refreshment		11,131	3,266
General expenses		28,712	38,644
Gift and prizes		100	0
Insurance		6,631	6,810
Lease expenses - short term lease (equipment)		5,144	0
Lease expenses - short term lease (studio premise)		65,917	55,859
Marketing expenses		4,428	300
Merchandise	11	342	1,111
Professional fees		52,351	47,523
Printing and stationery		18	0
Repair and maintenance		16,235	9,811
Renovation expenses		0	1,000
Staff costs			
- Annual leave		119	744
- Medical fees		273	140
Subscriptions		10,950	13,790
Telecommunication expenses		2,164	3,957
Travelling expenses		4,752	1,344
Utilities		10,436	12,670
Welfare and prizes		0	98
		<u>489,432</u>	<u>349,112</u>
<u>Finance cost</u>			
Interest on lease liabilities		<u>38,113</u>	<u>3,359</u>
		<u>38,113</u>	<u>3,359</u>
Total expenditure		<u>2,037,046</u>	<u>1,572,708</u>

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

		Group	
	Note	2023 S\$	2022 S\$
Net income before income tax		(43,223)	53,698
Income tax	8	<u>(3,700)</u>	<u>2,208</u>
NET INCOME FOR THE FINANCIAL YEAR		(46,923)	55,906
General fund brought forward		<u>472,459</u>	<u>416,553</u>
General fund carried forward		<u><u>425,536</u></u>	<u><u>472,459</u></u>

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

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023			2022	
		General fund Accumulated fund	Restricted fund STF Grant- Teleporting spaces	STF Grant- Activating spaces	Total funds S\$	Total funds S\$
INCOME						
<u>Income from generating funds</u>						
Voluntary income						
- Donations	5	36,548	0	0	36,548	17,350
- Government grants	6	367,002	19,000	47,500	433,502	422,817
		<u>403,550</u>	<u>19,000</u>	<u>47,500</u>	<u>470,050</u>	<u>440,167</u>
<u>Income from charitable activities</u>						
Commission income		0	0	0	0	3,740
Dance class fees		384,778	0	0	384,778	363,729
Project and performance income		24,193	0	0	24,193	12,773
Ticketing sales		126,708	0	0	126,708	0
Sale of merchandise		15,373	0	0	15,373	190
		<u>551,052</u>	<u>0</u>	<u>0</u>	<u>551,052</u>	<u>380,432</u>
<u>Other income</u>						
COVID-19 related rent concessions		8,535	0	0	8,535	22,749
Government grant – Job growth incentive		4,406	0	0	4,406	4,692
Government grant – Jobs support scheme		0	0	0	0	143,249
Miscellaneous income	7	899,137	0	0	899,137	606,486
Rental income		60,643	0	0	60,643	28,631
		<u>972,721</u>	<u>0</u>	<u>0</u>	<u>972,721</u>	<u>805,807</u>
Total income		<u>1,927,323</u>	<u>19,000</u>	<u>47,500</u>	<u>1,993,823</u>	<u>1,626,406</u>
EXPENDITURE						
<u>Cost of charitable activities</u>						
Contractual services		129,535	0	0	129,535	109,521
Event expenses		69,348	0	0	69,348	31,603
Honorarium		17,989	0	0	17,989	35,728
Lease expenses - short term lease (studio premise)		46,431	0	0	46,431	400
Lease expenses - short term lease (equipment)		7,660	0	0	7,660	75
Merchandise	11	6,761	0	0	6,761	6,776
Props and costumes		351	0	0	351	5,318
Staff costs					0	
- CPF and SDL contributions		55,001	0	0	55,001	58,297
- Director's remuneration	20	57,798	0	0	57,798	57,798
- Salaries and bonuses		321,244	0	0	321,244	342,983
- Training and seminars		0	0	0	0	1,115
		<u>712,118</u>	<u>0</u>	<u>0</u>	<u>712,118</u>	<u>649,614</u>

DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	General fund	2023		2022	
		Accumulated fund	Restricted funds STF Grant- Teleporting spaces	STF Grant- Activating spaces	Total funds
Note				S\$	S\$
EXPENDITURE (CONT'D)					
<u>Other expenditure</u>					
	479,611	0	0	479,611	329,767
	50,708	0	0	50,708	1,648
	9,883	0	0	9,883	850
	30	0	0	30	2,002
<u>Staff costs</u>					
- CPF and SDL contributions	37,734	0	0	37,734	35,013
- Salaries and bonuses	219,102	0	0	219,102	201,327
- Training and seminars	315	0	0	315	16
	<u>797,383</u>	<u>0</u>	<u>0</u>	<u>797,383</u>	<u>570,623</u>
<u>Governance and administrative costs</u>					
	42	0	0	42	4,751
	0	0	0	0	5,255
	12,582	0	0	12,582	11,021
	0	0	0	0	610
	395	0	0	395	323
	255,429	0	0	255,429	130,085
	1,281	0	0	1,281	0
	11,131	0	0	11,131	3,266
	28,712	0	0	28,712	38,644
	100	0	0	100	0
	6,631	0	0	6,631	6,810
	5,144	0	0	5,144	0
	65,917	0	0	65,917	55,859
	4,428	0	0	4,428	300
	342	0	0	342	1,111
	52,351	0	0	52,351	47,523
	18	0	0	18	0
	16,235	0	0	16,235	9,811
	0	0	0	0	1,000
<u>Staff costs</u>					
- Annual leave	119	0	0	119	744
- Medical fees	273	0	0	273	140
	10,950	0	0	10,950	13,790
	2,164	0	0	2,164	3,957
	4,752	0	0	4,752	1,344
	10,436	0	0	10,436	12,670
	0	0	0	0	98
	<u>489,432</u>	<u>0</u>	<u>0</u>	<u>489,432</u>	<u>349,112</u>
<u>Finance cost</u>					
Interest on lease liabilities	38,113	0	0	38,113	3,359
Total expenditure	<u>2,037,046</u>	<u>0</u>	<u>0</u>	<u>2,037,046</u>	<u>1,572,708</u>

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	2023			2022	
	General fund Accumulated fund	Restricted funds STF Grant- Teleporting spaces	STF Grant- Activating spaces	Total funds	Total funds
Net (expenditure) / income before income tax	(109,723)	19,000	47,500	(43,223)	53,698
Income tax	(3,700)	0	0	(3,700)	2,208
NET (EXPENDITURE) / INCOME FOR THE FINANCIAL YEAR	(113,423)	19,000	47,500	(46,923)	55,906
Funds balance brought forward	472,459	0	0	472,459	416,553
Funds balance carried forward	359,036	19,000	47,500	425,536	472,459

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		Group	
	Note	2023 S\$	2022 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	273,513	559,570
Trade and other receivables	10	151,868	93,195
Inventories	11	1,209	1,316
Income tax recoverable	8	0	2,208
		<u>426,590</u>	<u>656,289</u>
Non-current assets			
Investment in subsidiary	12	0	0
Property, plant and equipment	13	1,008,768	23,645
		<u>1,008,768</u>	<u>23,645</u>
Total assets		<u>1,435,358</u>	<u>679,934</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	161,846	139,764
Contract liabilities	15	48,198	45,098
Lease liabilities	16	174,402	22,613
Income tax payable	8	3,700	0
		<u>388,146</u>	<u>207,475</u>
Non-current liabilities			
Lease liabilities	16	621,676	0
		<u>621,676</u>	<u>0</u>
Total liabilities		<u>1,009,822</u>	<u>207,745</u>
NET ASSETS		<u>425,536</u>	<u>472,459</u>
FUND			
Unrestricted fund			
Accumulated fund	19	359,036	472,459
		<u>359,036</u>	<u>472,459</u>
Restricted funds			
STF Grant- Teleporting spaces	19	19,000	0
STF Grant- Activating spaces	19	47,500	0
		<u>66,500</u>	<u>0</u>
TOTAL FUNDS		<u>425,536</u>	<u>472,459</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 - COMPANY

		Company	
	Note	2023 S\$	2022 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	183,424	366,679
Trade and other receivables	10	86,325	58,031
Inventories	11	235	0
		<u>269,984</u>	<u>424,710</u>
Non-current assets			
Investment in a subsidiary	12	5,000	5,000
Property, plant and equipment	13	1,008,531	22,625
		<u>1,013,531</u>	<u>27,625</u>
Total assets		<u>1,283,515</u>	<u>452,335</u>
LIABILITIES			
Current liabilities			
Trade and other payables	14	129,619	71,586
Contract liabilities	15	48,198	45,098
Lease liabilities	16	174,402	22,613
		<u>352,219</u>	<u>139,297</u>
Non-current liabilities			
Lease liabilities	16	621,676	0
Total liabilities		<u>973,895</u>	<u>139,297</u>
NET ASSETS		<u>309,620</u>	<u>313,038</u>
FUND			
Restricted fund			
STF Grant- Teleporting spaces	19	19,000	0
STF Grant- Activating spaces	19	47,500	0
		<u>66,500</u>	<u>0</u>
Unrestricted fund			
Accumulated fund	19	243,120	313,038
TOTAL FUNDS		<u>309,620</u>	<u>313,038</u>

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

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

	Balance at beginning of financial year S\$	Net income / (expenditure) S\$	Transfers S\$	Balance at end of financial year S\$
2023				
Unrestricted funds				
Accumulated fund	<u>472,459</u>	<u>(113,423)</u>	<u>0</u>	<u>359,036</u>
Restricted funds				
STF Grant- Teleporting spaces	0	19,000	0	19,000
STF Grant- Activating spaces	<u>0</u>	<u>47,500</u>	<u>0</u>	<u>47,500</u>
	<u>0</u>	<u>66,500</u>	<u>0</u>	<u>66,500</u>
Total funds	<u><u>472,459</u></u>	<u><u>(46,923)</u></u>	<u><u>0</u></u>	<u><u>425,536</u></u>

	Balance at beginning of financial year S\$	Net income / (expenditure) S\$	Transfers S\$	Balance at end of financial year S\$
2022				
Unrestricted funds				
Accumulated fund	<u>416,553</u>	<u>55,906</u>	<u>0</u>	<u>472,459</u>
Total funds	<u><u>416,553</u></u>	<u><u>55,906</u></u>	<u><u>0</u></u>	<u><u>472,459</u></u>

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

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

		Group	
	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Net income before income tax		(43,223)	53,698
Adjustments for:			
- COVID-19 related rent concessions received		(8,535)	(22,749)
- Bad debts		0	186
- Depreciation	13	255,429	130,085
- Interest expense on lease liabilities	17	38,113	3,359
Operating cash flow before working capital changes		<u>241,784</u>	<u>164,579</u>
Changes in operating assets and liabilities			
- Trade and other receivables		(58,673)	63,803
- Inventories		107	6,731
- Trade and other payables		22,082	(103,671)
- Contract liabilities		3,100	(12,614)
Cash generated from operations		<u>208,400</u>	<u>118,829</u>
Income tax paid	8	<u>2,208</u>	<u>(2,208)</u>
Net cash generated from operating activities		<u>210,608</u>	<u>116,621</u>
Cash flows from investing activity			
Purchases of property, plant and equipment representing net cash used in operating activities	13	<u>(337,707)</u>	<u>(93)</u>
Cash flows from financing activities			
Interest paid		(38,113)	(3,359)
Payment of principal portion of lease liabilities		(120,845)	(76,316)
Net cash used in financing activities		<u>(158,958)</u>	<u>(79,675)</u>
Net increase in cash and cash equivalents		(286,057)	36,853
Cash and cash equivalents at beginning of financial year		<u>559,570</u>	<u>522,717</u>
Cash and cash equivalents at end of financial year	9	<u>273,513</u>	<u>559,570</u>

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

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

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

1. 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 1994 on 19 April 2010. The Company was accorded as an Institution of a Public Character ("IPC") status for the period from 1 October 2019 to 31 March 2021 and subsequently renewed and extended from 1 April 2021 until 31 March 2023.

The Company's registered office and principal place of business is at 1 Selegie Road, #05-01/02 GR.ID Singapore 188306.

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 liability of the members is limited. Every member of the Company undertakes to contribute to the assets of the Company, in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs charges and expenses of winding-up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding S\$1.

As at 31 March 2023, the Company has 4 members (2022: 4 members).

The principal activities of the subsidiary is discussed in Note 12.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") and the disclosure requirements of the Charities Act 1994. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the financial statements of the Company are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company and the presentation of the Group.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment 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 judgment 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)

Interpretations and amendments to published standards effective in 2022

In the current financial year, the Group adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 April 2022. 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.

Standards issued but not effective

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

Descriptions	Annual periods commencing on
Amendments to: -FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies -FRS 8: Definition of Accounting Estimates -FRS 101 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2022
Amendments to: -FRS 1 : Classification of Liabilities as Current or Non-current -FRS 116 : Lease liability in a sales leaseback -FRS 1 : Non current liabilities with covenants -FRS 7 and FRS 107 : Supplier Finance Agreements	1 January 2024
Amendments to: -FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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 initial application.

2. Significant accounting policies (Cont'd)

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 School income and dance class fee

School income and dance class fee are recognised over the period in which the services are performed or rendered.

2.2.3 Project and performance income

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

2.2.4 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.

2.2.5 Management fees

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

2.2.6 Rental income

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

2.2.7 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 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 Group will comply with all attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 Expenditure recognition

All expenditure 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.

2.4.1 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.

2.4.2 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.

2.4.3 Other expenditure

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

2.4.4 Finance cost

Finance cost includes interest on lease liabilities.

2.5 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises income before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECLs") in accordance with the policy set out in Note 2.9 and are reclassified to receivables when right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related income. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related income. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contact balance includes interest accrued under the effective interest method.

2. Significant accounting policies (Cont'd)

2.6 Employee benefits

2.6.1 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.

2.6.2 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.

2.7 Group accounting

2.7.1 Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

(ii) Acquisitions

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

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

2. Significant accounting policies (Cont'd)

2.7 Group accounting (Cont'd)

2.7.1 Subsidiaries (Cont'd)

(ii) Acquisitions (Cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposal

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in statement of financial activities.

2.7.2 Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Association. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Association.

2.8 Leases

At the inception of the contract, the Group assess if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

When the Group is the lessee

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

2. Significant accounting policies (Cont'd)

2.8 Leases (Cont'd)

When the Group is the lessee (Cont'd)

2.8.1 Right-of-use assets

The Group recognises 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 are 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. The accounting policy for impairment is disclosed in Note 2.14. The right-of-use assets are presented within property, plant and equipment as disclosed in Note 13.

2.8.2 Lease liabilities

The initial measurement of a 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 Group shall use its incremental borrowing rate.

Lease payments include the following:

- 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 Group exercising the option.

In calculating the present value of lease payments, the Group 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.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property lease and account there as one single lease component.

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

- There is a change in future lease payments arising from changes in an index or rate; or
- There is a change in the Group'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.

2. Significant accounting policies (Cont'd)

2.8 Leases (Cont'd)

When the Group is the lessee (Cont'd)

2.8.2 Lease liabilities (Cont'd)

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 Group's lease liabilities are disclosed in Note 16.

The Group has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

2.8.3 Short-term leases and leases of low-value assets

The Group has elected not to recognise 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 assets, except for sublease arrangements. Lease payments relating to short term leases and leases of low-value assets are expensed to the statement of financial activities on straight-line basis over the lease term.

2.8.4 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 Group shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

When the Group is the intermediate lessor

The accounting policy applicable to the Group as a lessor in the comparative period was the same under FRS 116 except when the Group is an intermediate lessor.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sub-lessee and recognised the net investment in the sublease within "Fees and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in statement of financial activities. Lease liability relating to the head lease is retains in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in the statement of financial activities. The right-of-use asset relating to the head lease is not recognised as the Group has reassessed the classification of head lease and concluded that the lease do not contains a contract and the Group do not have the right to control the use of the identified asset for a period of time in exchange for consideration.

2. Significant accounting policies (Cont'd)

2.9 Income taxes

Current income tax for current and prior periods are recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially 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 arise from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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.

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 substantially enacted by the reporting date; and
- b) based on the tax consequence that will 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 except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.10 Financial assets

2.10.1 Classification and measurement

The Group classifies its financial assets under the amortised cost category.

The classification 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

2. Significant accounting policies (Cont'd)

2.10 Financial assets (Cont'd)

2.10.1 Classification and measurement (Cont'd)

(i) 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.

(ii) At subsequent measurement

Debt instruments

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

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2.10.2 Impairment

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

For trade receivables and contract assets, the Group applies 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 and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month ECL 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 ECL will be calculated and recognised.

2.10.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group 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 Group 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 of financial activities.

2. Significant accounting policies (Cont'd)

2.10 Financial assets (Cont'd)

2.10.3 Recognition and derecognition (Cont'd)

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in the statement of financial activities if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Cash and cash equivalents

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

2.12 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.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.13 Property, plant and equipment

2.13.1 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.

2.13.2 Depreciation

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

	Useful lives
Furniture and fittings	5 years
Office equipment	3 years
Renovation	3 years
Right-of-use asset - premises	Over the remaining lease term

2. Significant accounting policies (Cont'd)

2.13 Property, plant and equipment (Cont'd)

2.13.2 Depreciation (Cont'd)

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 statement of financial activities when the changes arise.

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

2.13.3 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 statement of financial activities when incurred.

2.13.4 Disposal

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

2.14 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, the 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 inflows 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 (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in statement of financial activities.

2. Significant accounting policies (Cont'd)

2.15 Investment in a subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of three elements of control.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

On disposal between disposal proceeds and the carrying amounts of the investments are recognised in the statement of financial activities.

2.16 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual agreements of the financial 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 "Trade and other payables" and "Lease liabilities" in the statement of financial position.

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are 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 statement of financial activities.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and 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.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

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

2. Significant accounting policies (Cont'd)

2.18 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.19 Provisions 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.

2.20 Borrowing costs

Borrowing costs are recognised in the statement of financial activities using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. Borrowing costs may include interest in respect of lease liabilities recognised in accordance with FRS 116.

2.21 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings, including lease liabilities, are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of financial activities over the period of the borrowings using the effective interest method.

2.22 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.

2.23 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.

2.24 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1.1. Expected credit losses ("ECLs") on trade receivables and contract assets

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECLs of trade receivables and contract assets, the Group has used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in Gross Domestic Product and unemployment rate to reflect the current and forward looking information.

3.1.2. Impairment of property, plant and equipment and investment in subsidiary

Non-financial assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the financial year and a suitable discount rate.

The carrying amount of property, plant and equipment and investment in subsidiary as at 31 March 2022 and 31 March 2021 were disclosed in Note 13 and Note 12 respectively.

3.1.3. Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of the Group's property, plant and equipment was disclosed in Note 13 to the financial statements.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment are required as of 31 March 2022 and 31 March 2021.

3. Critical accounting estimates, assumptions and judgments (Cont'd)

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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 period these 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. Income from contracts with customers

(a) Disaggregation of income from contracts with customers:

	Note	Group	
		2023 S\$	2022 S\$
Income from:			
Commission income		0	3,740
Dance class fees		384,778	363,729
Project income		300	9,580
Registration fees		23,893	3,193
Sales income		15,373	190
Ticketing sales		126,708	0
Income generated from O2 Pte. Ltd.	7		
- Dance class fees		247,652	202,356
- Project income		161,440	32,498
- Registration fees		0	0
- Sales income		510	510
- School income		466,524	352,778
		<u>1,427,178</u>	<u>968,574</u>
Timing of transfer of goods:			
- At a point in time		39,776	7,633
- Over time		1,387,402	960,941
		<u>1,427,178</u>	<u>968,574</u>

(b) Contract assets and liabilities

(i) Information about contract assets and contract liabilities from contracts with customers are disclosed as follows:

	Group	
	2023 S\$	2022 S\$
Contract assets	<u>54,519</u>	<u>32,242</u>
Contract liabilities		
- Advances from customers	<u>48,198</u>	<u>45,098</u>

4. Income from contracts with customers (Cont'd)

(b) Contract assets and liabilities (Cont'd)

- (i) Information about contract assets and contract liabilities from contracts with customers are disclosed as follows: (Cont'd)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional which usually occurs when the customers are billed.

The contract liabilities relate to the consideration received from customers for the unsatisfied performance obligation in the dance class fees, project income, and school income of the Group during the year. Income will be recognised when the goods and services are delivered to the customers.

- (ii) Significant changes in contract assets are explained as follows:

	Group	
	2023	2022
	S\$	S\$
Contract assets reclassified to receivables	32,242	53,005

(c) Unsatisfied performance obligation

The Group is applying the practical expedient in the paragraph 121 of FRS 115. Under this practical expedient, the Group need not disclose the information about its transaction price allocated to the remaining performance obligations as the Group recognise income from the satisfaction of the performance obligation in accordance to the right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

5. Donations

Tax deductible receipts issued by the Company for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	Group	
	2023	2022
	S\$	S\$
Tax exempt donations	36,548	17,348
Non-tax exempt donations	0	2
	<u>36,548</u>	<u>17,350</u>

During the financial year, the Group issued tax-deductible receipts, for donations totalling S\$36,548 (2022: S\$17,348) pursuant to its Institutions of a Public Character ("IPC") status.

6. Government grants

	Group		
	General fund S\$	Restricted funds S\$	Total S\$
2023			
Grants from National Art Council			
- Major Company Grant	330,000	0	330,000
- Cultural Matching Fund	17,348	0	17,348
- STB X NAC Short Film, Dancing with Murals	1,104	66,500	67,604
- VR Dance exhibition	18,550	0	18,550
	<u>367,002</u>	<u>66,500</u>	<u>433,502</u>
2022			
Grants from National Art Council			
- Major Company Grant	300,000	0	300,000
- Arts and Culture Resilience Operating Grant	52,221	0	52,221
- Cultural Matching Fund	18,883	0	18,883
- Commissioning Grant	3,713	0	3,713
- STB X NAC Short Film, Dancing with Murals	48,000	0	48,000
	<u>422,817</u>	<u>0</u>	<u>422,817</u>

7. Miscellaneous income

	Group	
	2023 S\$	2022 S\$
Wage credit scheme	7,009	17,212
Others	16,002	1,132
Income generated from O2 Pte. Ltd.		
- Dance class fees	247,652	202,356
- Project income	161,440	32,498
- Sales income	510	510
- School income	466,524	352,778
	<u>899,137</u>	<u>606,486</u>

8. Income tax

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

The Group's income tax solely includes the profit before income tax attributable to its subsidiary.

The major components of income tax expense recognised in profit or loss for the financial year ended 31 March 2023 and 31 March 2022 were:

8. Income tax (Cont'd)

	Group	
	2023	2022
	S\$	S\$
Income tax (benefit) /expenses		
Tax expense attributable to profit is made up of:		
- Current year	3,700	0
- Overprovision in respect of prior year	0	(2,208)
	<u>3,700</u>	<u>(2,208)</u>

Relationship between tax expense and accounting profit

The income tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	Group	
	2023	2022
	S\$	S\$
Net income before income tax	(43,223)	53,698
Tax calculated at a tax rate of 17% (2021: 17%)	(7,348)	9,129
Effects of:		
- Expenses not deductible for tax purpose	13,390	913
- Income not subject to tax	0	(16,870)
- Utilisation of previously unrecognised deferred tax assets	(2,342)	0
- Deferred tax assets not recognised	0	6,828
- Statutory stepped income	0	0
- Overprovision in respect of prior year	0	(2,208)
Tax (benefit)/charge	<u>3,700</u>	<u>(2,208)</u>

	Group	
	2023	2022
	S\$	S\$
Movement in current income tax (recoverable)/ liabilities		
Balance at beginning of the year	(2,208)	2,208
Income tax paid	2,208	(2,208)
Current income tax	3,700	(2,208)
Balance at end of year	<u>3,700</u>	<u>(2,208)</u>

Unrecognised tax losses

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 has unrecognised tax loss of approximately \$NIL (2022: S\$40,000) at the reporting date which can be carried forward and used to offset future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date. At the reporting date, deferred tax assets were not recognised as the future profits which the unutilised losses and other future deductible temporary differences could be utilised against to are not foreseeable.

9. Cash and cash equivalents

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Cash on hand	1,008	1,008	1,008	1,008
Cash at banks	272,505	558,562	182,416	365,671
	<u>273,513</u>	<u>559,570</u>	<u>183,424</u>	<u>366,679</u>

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

10. Trade and other receivables

	Note	Group		Company	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
Trade receivables					
- Third parties		33,108	13,842	10,662	7,472
- Contract assets	4	54,519	32,242	11,782	3,450
		<u>87,627</u>	<u>46,084</u>	<u>22,444</u>	<u>10,922</u>
Other receivables					
- Deposits		59,842	34,144	59,842	34,142
- Other debtors		0	11,327	0	11,327
- Prepayments		4,399	1,640	4,039	1,640
		<u>64,241</u>	<u>47,111</u>	<u>63,881</u>	<u>47,109</u>
		<u>151,868</u>	<u>93,195</u>	<u>86,325</u>	<u>58,031</u>

Trade receivables are interest-free and generally collectible within 30 (2022: 30) days' term.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS pay-outs are intended to offset local employees' wages and help protect their jobs.

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

11. Inventories

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
T-shirts and towels, at cost	<u>1,209</u>	<u>1,316</u>	<u>235</u>	<u>0</u>

The Group's cost of inventories recognised as an expense in the consolidated statement of financial activities amounted to S\$7,103 (2022: S\$7,887).

12. Investment in a subsidiary

		Company	
		2023	2022
		S\$	S\$
<u>Unquoted shares, at cost</u>			
At beginning and end of financial year		<u>5,000</u>	<u>5,000</u>

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		2023	2022	
O2 Pte. Ltd.	Singapore	100%	100%	Event management, production, design and agency work and agents for artists, athletes, models and other performers.

13. Property, plant and equipment

Group	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Right-of-use assets - premises S\$	Total S\$
2023					
Cost					
Beginning of financial year	11,411	47,102	52,301	402,302	512,846
Additions	4,082	8,625	325,000	902,844	1,240,551
Disposals	(9,914)	(29,338)	(52,031)	(402,302)	(493,585)
End of financial year	<u>5,579</u>	<u>26,389</u>	<u>325,000</u>	<u>902,844</u>	<u>1,259,812</u>
Accumulated depreciation					
Beginning of financial year	11,411	44,630	52,031	381,129	489,201
Depreciation	544	2,225	81,012	171,647	255,428
Disposals	(9,914)	(29,338)	(52,031)	(402,302)	(493,585)
End of financial year	<u>2,041</u>	<u>17,517</u>	<u>81,012</u>	<u>150,474</u>	<u>251,044</u>
Carrying amount	<u>3,538</u>	<u>8,872</u>	<u>243,988</u>	<u>752,370</u>	<u>1,008,768</u>

13. Property, plant and equipment (Cont'd)

Group (Cont'd)	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Right-of-use assets - premises S\$	Total S\$
2022					
Cost					
Beginning of financial year	11,411	50,417	52,031	402,302	516,161
Additions	0	93	0	0	93
Disposals	0	(3,408)	0	0	(3,408)
End of financial year	11,411	47,102	52,031	402,302	512,846
Accumulated depreciation					
Beginning of financial year	11,318	45,839	51,281	254,086	362,524
Depreciation	93	2,199	750	127,043	130,085
Disposals	0	(3,408)	0	0	(3,408)
End of financial year	11,411	44,630	52,031	381,129	489,201
Carrying amount	0	2,472	0	21,173	23,645
Company					
2023					
Cost					
Beginning of financial year	11,411	14,229	52,031	402,302	479,973
Additions	4,082	8,625	325,000	902,844	1,240,551
Disposals	(9,914)	(7,464)	(52,031)	(402,302)	(471,711)
End of financial year	5,579	15,390	325,000	902,844	1,248,813
Accumulated depreciation					
Beginning of financial year	11,411	12,777	52,031	381,129	457,348
Depreciation	544	1,442	81,012	171,647	254,645
Disposals	(9,914)	(7,464)	(52,031)	(402,302)	(471,711)
End of financial year	2,041	6,755	81,012	150,474	240,282
Carrying amount	3,538	8,635	243,988	752,370	1,008,531

13. Property, plant and equipment (Cont'd)

Company (Cont'd)	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Right-of-use assets - premises S\$	Total S\$
2022					
Cost					
Beginning of financial year	11,411	16,653	52,031	402,302	482,397
Additions	0	93	0		93
Disposals	0	(2,517)	0		(2,517)
End of financial year	<u>11,411</u>	<u>14,229</u>	<u>52,031</u>	<u>402,302</u>	<u>479,973</u>
Accumulated depreciation					
Beginning of financial year	11,318	14,065	51,281	254,086	330,750
Depreciation	93	1,229	750	127,043	129,115
Disposals	0	(2,517)	0	0	(2,517)
End of financial year	<u>11,411</u>	<u>12,777</u>	<u>52,031</u>	<u>381,129</u>	<u>457,348</u>
Carrying amount	<u>0</u>	<u>1,452</u>	<u>0</u>	<u>21,173</u>	<u>22,625</u>

14. Trade and other payables

	Note	Group		Company	
		2023 S\$	2022 S\$	2023 S\$	2022 S\$
Trade payables					
- Third parties		<u>15,483</u>	<u>26,592</u>	<u>2,494</u>	<u>0</u>
Other payables:					
- Accruals		130,892	93,535	68,859	41,204
- Non-trade creditors		415	1,015	415	1,015
- Amount due to a subsidiary	14	0	0	49,467	15,772
- Provision for unutilised leaves		<u>15,056</u>	<u>18,622</u>	<u>8,384</u>	<u>13,595</u>
		<u>146,363</u>	<u>113,172</u>	<u>127,125</u>	<u>71,586</u>
Total		<u>161,846</u>	<u>139,764</u>	<u>129,619</u>	<u>71,586</u>

Trade payables are interest-free and generally collectible within 30 (2022: 30) days' term.

Amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

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

15. Contract liabilities

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Amounts received in advance for dance fees and registration fees relates to dance course registrations	48,198	45,098	48,198	45,098

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.

16. Lease liabilities

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Current	174,402	22,613	174,402	22,613
Non-current	621,676	0	621,676	0
	<u>796,078</u>	<u>22,613</u>	<u>796,078</u>	<u>22,613</u>

A reconciliation of lease liabilities arising from financing activities is as follows:

	1 April 2022 S\$	Additions during the year S\$	Repayment during the year S\$	Non-cash changes			31 March 2023 S\$
				Accretion of interest S\$	Related rent concession S\$	Others S\$	
Group and Company							
Current	22,613	106,766	(158,957)	38,113	(8,535)	174,402	174,402
Non-current	0	796,078	0	0	0	(174,402)	621,676
	<u>22,613</u>	<u>902,844</u>	<u>(158,957)</u>	<u>38,113</u>	<u>(8,535)</u>	<u>0</u>	<u>796,078</u>

	1 April 2021 S\$	Additions during the year S\$	Repayment during the year S\$	Non-cash changes			31 March 2022 S\$
				Accretion of interest S\$	Related rent concession S\$	Others S\$	
Group and Company							
Current	99,066	0	(79,675)	3,359	(22,749)	22,612	22,613
Non-current	22,612	0	0	0	0	(22,612)	0
	<u>121,678</u>	<u>0</u>	<u>(79,675)</u>	<u>3,359</u>	<u>(22,749)</u>	<u>0</u>	<u>22,613</u>

17. Leases

Nature of the Group's and the Company's leasing activities

The Group and the Company leases office units for the purpose of office operation.

(a) Carrying amount

Right-of-use ("ROU") assets classified within Property, plant, and equipment

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Office units	902,844	21,173	902,844	21,173
(b) Depreciation charged during the financial year				
			Group	
			2023 S\$	2022 S\$
Office units			171,647	127,043
(c) Interest expense on lease liabilities				
			Group	
			2023 S\$	2022 S\$
Office units			38,113	3,359
(d) Lease expense not capitalised in lease liabilities				
			Group	
			2023 S\$	2022 S\$
Studio premise			111,977	56,259
Equipment			12,804	75
(e) Total cash outflow for all the leases				
			Group	
			2023 S\$	2022 S\$
Cash outflow			283,738	136,009

18. Leases – The Group and the Association as a lessor

Nature of the Company's leasing activities – Association as an intermediate lessor

Subleases – classified as operating leases

The Association acts as an intermediate lessor under arrangement in which it subleases out to subsidiary for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing the recognised during the financial year 2023 was S\$ 60,643 (2022: S\$28,631).

19. Funds

Restricted funds

STF Grant- Teleporting spaces

This fund records the grant of thirty eight thousand dollar agreed to provide by National Arts Council ("NAC") for the completion of Telephone spaces project under Sector Transformation Fund (STF) Scheme. The nineteen thousand dollar represents the first instalment (50%) received during the year.

STF Grant- Activating spaces

This fund records the grant of ninety-five thousand dollar agreed to provide by National Arts Council ("NAC") for the completion of Activating spaces project under Sector Transformation Fund (STF) Scheme. The forty-seven thousand and five hundred dollar represents the first instalment (50%) received during the year

19. Funds (Cont'd)

	2023			Total S\$
	General Fund S\$	STF Grant Teleporting spaces S\$	STF Grant Activating spaces S\$	
Group				
Total funds	359,036	19,000	47,500	425,536
Represented by:				
Cash and cash equivalents	215,638	10,375	47,500	273,513
Trade and other receivables	151,868	0	0	151,868
Inventories	1,209	0	0	1,209
Property, plant and equipment	1,000,143	8,625	0	1,008,768
Trade and other payables	(213,744)	0	0	(213,744)
Lease liabilities	(796,078)	0	0	(796,078)
	359,036	19,000	47,500	425,536
Company				
Total funds	243,120	19,000	47,500	309,620
Represented by:				
Cash and cash equivalents	125,549	10,375	47,500	183,424
Trade and other receivables	86,325	0	0	86,325
Inventories	235	0	0	235
Investments	5,000	0	0	5,000
Property, plant and equipment	999,906	8,625	0	1,008,531
Trade and other payables	(177,817)	0	0	(177,817)
Lease liabilities	(796,078)	0	0	(796,078)
	243,120	19,000	47,500	309,620

19. Funds (Cont'd)

Group	2022			Total S\$
	General Fund S\$	STF Grant Teleporting spaces S\$	STF Grant Activating spaces S\$	
Total funds	472,459	0	0	472,459
Represented by:				
Cash and cash equivalents	559,570	0	0	559,570
Trade and other receivables	93,195	0	0	93,195
Income tax recoverable	2,208	0	0	2,208
Inventories	1,316	0	0	1,316
Property, plant and equipment	23,645	0	0	23,645
Trade and other payables	(184,862)	0	0	(184,862)
Lease liabilities	(22,613)	0	0	(22,613)
	472,459	0	0	472,459
Company				
Total funds	313,038	0	0	313,038
Represented by:				
Cash and cash equivalents	366,679	0	0	366,679
Trade and other receivables	58,031	0	0	58,031
Investments	5,000	0	0	5,000
Property, plant and equipment	22,625	0	0	22,625
Trade and other payables	(116,684)	0	0	(116,684)
Lease liabilities	(22,613)	0	0	(22,613)
	313,038	0	0	313,038

20. Related party transactions

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

	Group	
	2023 S\$	2022 S\$
Company in which family members of directors have an interest		
Accounting, tax and payroll fees	37,370	38,660
Donations	(15,000)	(10,000)
Others	1,770	1,246
	<u>1,770</u>	<u>1,246</u>
A director		
Donations	(9,300)	(3,500)
Claims and reimbursements	10,533	1,702
	<u>10,533</u>	<u>1,702</u>

20. Related party transactions (Cont'd)

The key management personnel compensation for the financial year comprise of:

	Group	
	2023	2022
	S\$	S\$
Salaries and other short-term benefits	49,400	49,400
Post-employment benefits – CPF contributions	8,398	8,398
	<u>57,798</u>	<u>57,798</u>

The key management personnel compensation for the year was presented under:

Statement of financial activities

Cost of charitable activities	<u>57,798</u>	<u>57,798</u>
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	2023	2022
	No. of key management personnel	No. of key management personnel
<i>Remuneration band (S\$)</i>		
Between S\$50,001 to S\$100,000	<u>1</u>	<u>1</u>

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

21. 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.

22. Reserve policy and position

The Group's reserve position for financial year ended 31 March 2023 and 2022 are as follows:

		2023	2022	Increase /(Decrease)
		\$'000	\$'000	%
A	Unrestricted Funds			
	Accumulated General Funds	359	472	(24)
B	Restricted or Designated Funds			
	Restricted Funds	67	0	100
C	Endowment Funds	0	0	N/A
D	Total Funds	426	472	(10)
E	Total Annual Operating Expenditure	2,038	1,573	30
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.176	0.300	

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.

The Group's reserve policy is as follows:

The Group shall try to maintain its reserve at a minimum level equivalent to a reserve ratio of 0.25 which corresponds to three (3) months' operational expenditures and shall not exceed the reserve ratio of 2. This is to ensure that the Group has enough liquidity to tide through unforeseen temporal economic downturns while at the same time be able to use the reserves to generate economic activities.

23. Financial instruments

The financial assets and liabilities of the Group and the Company as at the financial reporting date are as follows:

	Group		Company	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Financial assets				
Cash and cash equivalents	273,513	559,570	183,424	366,679
Trade and other receivables (excluding prepayments)	147,469	91,556	82,286	56,391
	<u>420,982</u>	<u>651,126</u>	<u>265,710</u>	<u>423,070</u>
Financial Liabilities				
Trade and other payables (excluding deferred grant income and provision for unutilised leaves)	146,790	121,142	121,235	57,991
Lease liabilities	796,078	22,613	796,078	22,613
	<u>942,868</u>	<u>143,755</u>	<u>917,313</u>	<u>80,604</u>

24. Financial risk management

The Group's activities expose it to minimal financial risks and overall risk management is determined and carried out by the directors of the Group on an informal basis.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group.

(i) Risk management

The Group adopts the following policy to mitigate the credit risk.

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.

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.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligation as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

(ii) Impairment of financial assets

The Group and the Company had applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristic and days past due. In calculating the expected credit loss rates, the Group and the Company considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data.

For purpose of impairment assessment, the amounts due from related parties are considered to have low risk as the timing of payment is controlled by the intermediate holding company taking into account cash flow management within the holding company's group of companies and there has been no significant increase in the risk default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for the trade balances, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the amount due from related parties as well as the loss upon default. Management determines the amount due from related parties are subject to immaterial credit loss.

Receivables are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group and the Company. Where receivables have been written off, the Group and the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in the statement of comprehensive income.

23. Financial risk management (Cont'd)

(ii) Impairment of financial assets (Cont'd)

The Group and the Company have no significant concentration of credit risk. The Group and the Company have credit policies and procedures in place to minimise and mitigate its credit risk exposure.

As at 31 March 2023 and 31 March 2022, the carrying amount of the Group and the Company's trade and other receivables were disclosed in Note 10.

The Group and the Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor; or
- Breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and bank balances are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Other than the above, there are no credit loss allowance for other financial assets at amortised cost as at 31 March 2023 and 31 March 2022.

Financial assets that are neither past due nor impaired

The Group and the Company had trade receivables amounting to S\$87,627 (2022: S\$46,084) and S\$22,444 (2022: S\$10,922) respectively that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
Current	79,136	43,984	20,114	8,822
Past due but not impaired				
- Within 30 days	1,111	1,300	0	1,300
- 31 to 60 days	4,700	0	2,330	0
- 61 days and above	2,680	800	0	800
	<u>87,627</u>	<u>46,084</u>	<u>22,444</u>	<u>10,922</u>

23. Financial risk management (Cont'd)

Liquidity risk

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

Management monitors and ensures that the Group and the Company maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations.

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

Group	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2023			
<u>Financial assets</u>			
Cash and cash equivalents	273,513	0	273,513
Trade and other receivables (excluding prepayments)	147,469	0	147,469
	<u>420,982</u>	<u>0</u>	<u>420,982</u>
<u>Financial liabilities</u>			
Trade and other payables (excluding deferred grant income and provision for unutilised leaves)	(146,790)	0	(146,790)
Lease liabilities	(174,402)	(621,676)	(796,078)
	<u>(321,192)</u>	<u>(621,676)</u>	<u>(942,868)</u>
Net financial assets	<u>99,790</u>	<u>(621,676)</u>	<u>(521,886)</u>
2022			
<u>Financial assets</u>			
Cash and cash equivalents	559,570	0	559,570
Trade and other receivables (excluding prepayments)	91,556	0	91,556
	<u>651,126</u>	<u>0</u>	<u>651,126</u>
<u>Financial liabilities</u>			
Trade and other payables (excluding deferred grant income and provision for unutilised leaves)	(121,142)	0	(121,142)
Lease liabilities	(22,761)	0	(22,761)
	<u>(143,903)</u>	<u>0</u>	<u>(143,903)</u>
Net financial assets	<u>507,223</u>	<u>0</u>	<u>507,223</u>

23. Financial risk management (Cont'd)

Liquidity risk (Cont'd)

<u>Company</u>	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2023			
<u>Financial assets</u>			
Cash and cash equivalents	183,424	0	183,424
Trade and other receivables (excluding prepayments)	82,286	0	82,286
	<u>265,710</u>	<u>0</u>	<u>265,710</u>
<u>Financial liabilities</u>			
Trade and other payables (excluding GST payables and contract liabilities)	(121,235)	0	(121,235)
Lease liabilities	(174,402)	(621,676)	(796,078)
	<u>(295,637)</u>	<u>(621,676)</u>	<u>(917,313)</u>
Net financial assets	<u>(29,927)</u>	<u>(621,676)</u>	<u>(651,603)</u>
2022			
<u>Financial assets</u>			
Cash and cash equivalents	366,679	0	366,679
Trade and other receivables (excluding prepayments)	56,391	0	56,391
	<u>423,070</u>	<u>0</u>	<u>423,070</u>
<u>Financial liabilities</u>			
Trade and other payables (excluding GST payables and contract liabilities)	(57,991)	0	(57,991)
Lease liabilities	(22,761)	0	(22,761)
	<u>(80,752)</u>	<u>0</u>	<u>(80,752)</u>
Net financial assets	<u>342,318</u>	<u>0</u>	<u>342,318</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their cash and cash equivalents and borrowings.

The Group does not expect any significant effect on the Group's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

23. Financial risk management (Cont'd)

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments were as follows:

	Group		Company	
	2023 S\$	2022 S\$	2023 S\$	2022 S\$
<u>Fixed rate instruments</u>				
<u>Financial liabilities</u>				
Lease liabilities	<u>796,078</u>	<u>22,613</u>	<u>796,078</u>	<u>22,613</u>

24. 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.

The carrying amounts of non-current 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.

25. Impact of Coronavirus Disease 2019 (COVID-19)

As the COVID-19 situation has improved and moved from pandemic to endemic, restrictions have been gradually lifted. Unless there is any new COVID-19 variant causing the government to restart the safe management measures, the Group can reasonably ascertain that the COVID-19 disruptions on its activities for the financial year ending 31 March 2024 would be marginal.

The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors is continuously monitoring the COVID-19 situation and will take further action as necessary in response to the economic and service disruption.

26. Authorisation of financial statements

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

**SUBSEQUENT PAGES COMPRISES OF THE DETAILED STATEMENT OF FINANCIAL ACTIVITIES OF
THE COMPANY WHICH IS PREPARED FOR MANAGEMENT PURPOSE ONLY AND
DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS**

**FOR MANAGEMENT PURPOSES ONLY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Company	
	2023 S\$	2022 S\$
INCOME		
<u>Income from generating funds</u>		
Voluntary income		
- Tax exempt donations	36,548	17,348
- Non-tax exempt donations	0	2
- Government grants	414,952	422,817
	<u>451,500</u>	<u>440,167</u>
<u>Income from charitable activities</u>		
Commission	3,912	3,740
Dance class fees	384,778	363,729
Project and performance income	300	20,180
Registration fee	23,893	3,193
Sale of goods	15,373	190
Ticketing sales	126,708	0
	<u>554,964</u>	<u>391,032</u>
<u>Other income</u>		
COVID-19 related rent concessions	8,535	22,749
Dividend income	100,000	0
Job support scheme	0	89,302
Rental income	104,311	64,567
Miscellaneous income	16,200	14,549
	<u>229,046</u>	<u>191,167</u>
Total income	<u>1,235,510</u>	<u>1,022,366</u>
EXPENDITURES		
Cost of charitable activities	752,556	671,264
Governance and administrative costs	448,259	302,455
Finance cost	38,113	3,359
Total expenditures	<u>1,238,928</u>	<u>977,078</u>
NET (EXPENDITURE) / INCOME FOR THE YEAR	<u>(3,418)</u>	<u>45,288</u>

FOR MANAGEMENT PURPOSES ONLY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONT'D)

	Company	
	2023 S\$	2022 S\$
EXPENDITURES		
<u>Cost of charitable activities</u>		
Contractual services	129,535	108,241
Contractual services - CPF	0	1,280
Event expenses	100,586	53,253
Honorarium	27,189	35,728
Merchandise	6,761	6,776
Props and costumes	351	5,318
Rental of equipment	7,660	75
Rental of premises	46,431	400
Staff costs		
- CPF and SDL contributions	55,001	58,297
- Director's remuneration	49,400	49,400
- Director's CPF and SDL contributions	8,398	8,398
- Salaries and bonuses	321,244	342,983
- Training and seminars	0	1,115
	752,556	671,264
<u>Governance and administrative costs</u>		
Accessories and supplies	42	45
Auditor's remuneration	6,804	6,741
Bad debts written off	0	610
Bank charges	255	186
Depreciation on lease liabilities	171,648	127,043
Depreciation	82,998	2,072
Food and refreshment	9,911	2,824
General expenses	25,499	34,236
Insurance	6,631	6,810
Legal and professional fee	31,912	25,461
Marketing expenses	4,428	300
Printing and stationery	18	0
Rental		
- Premises	65,546	55,859
Repair and maintenance	16,235	9,811
Renovation expenses	0	1,000
Secretarial fees	159	222
Staff costs		
- Annual leave	(1,209)	(962)
- Medical fees	173	120
Subscription fees	10,950	13,790
Telecommunication expenses	1,924	2,193
Transport	3,899	1,326
Utilities	10,436	12,670
Welfare and prizes	0	98
	448,259	302,455
<u>Finance cost</u>		
Interest expense on lease liabilities	38,113	3,359
Total expenditures	1,238,928	977,078