

**SINGAPORE CHINESE DANCE THEATRE**  
(Co. Reg. No. 201419196W)

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM  
1 JANUARY 2021 TO 31 MARCH 2022**

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**SINGAPORE CHINESE DANCE THEATRE**  
(Incorporated in Singapore and limited by guarantee)

**COMMITTEE OF MANAGEMENT'S STATEMENT**

The Committee of Management, all of whom are directors of Singapore Chinese Dance Theatre (the "Company"), are pleased to present their statement to the members together with the audited financial statements of the Company for the financial period from 1 January 2021 to 31 March 2022.

In the opinion of the Committee of Management:

- (i) the financial statements as set out on pages 5 to 18 are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in accumulated funds and cash flows of the Company for the financial period ended in accordance with the provisions of the Companies Act 1967, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Committee of Management**

The committee members in office at the date of this statement are:

Lee Sze Leong  
Leong Weng Kam  
Lim Beng Beng  
Neo Peng Fu  
Pok Cheng Chong  
Teo Han Wue

**Other matters**

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

**Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Committee of Management

  
Lee Sze Leong  
Chairman

  
Lim Beng Beng  
Treasurer

02 SEP 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE CHINESE DANCE THEATRE****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of Singapore Chinese Dance Theatre (the "Company") as set out on pages 5 to 18, which comprise the balance sheet as at 31 March 2022, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial period from 1 January 2021 to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the 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 financial position of the Company as at 31 March 2022 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial period ended on that date.

***Basis for Opinion***

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

***Other Information***

The Committee of Management is responsible for the other information. The other information comprises the Committee of Management's Statement as set out on page 1.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE CHINESE DANCE THEATRE (cont'd)**

### **Report on the Audit of the Financial Statements (cont'd)**

#### *Responsibilities of the Committee of Management and Those Charged with Governance for the Financial Statements*

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

Those charged with governance comprises the Committee of Management. Their responsibilities include overseeing the Company's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE CHINESE DANCE THEATRE (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

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

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

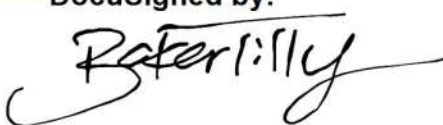
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

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

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

- (i) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:  
  
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Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

2 September 2022

**SINGAPORE CHINESE DANCE THEATRE**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the financial period ended 31 March 2022**

	1.1.2021 to 31.3.2022 \$	1.1.2020 to 31.12.2020 \$
Note		
<b>Income</b>		
Registration and tuition fees	480,281	258,774
Membership fees	7,560	–
Government grants	644,656	736,140
Core programmes income	36,898	–
Community and educational programmes income	197,043	120,212
Donation income		
- Tax deductible receipts	152,240	170,610
- Non-tax deductible receipts	–	170
Sundry income	45,881	74,204
Interest income	4,213	3,148
	<hr/>	<hr/>
<b>Total income</b>	<b>1,568,772</b>	<b>1,363,258</b>
	<hr/>	<hr/>
<b>Less expenses</b>		
Lecturers' fees	85,435	37,521
Core programmes expenses	91,661	3,584
Community and educational programmes expenses	103,267	55,425
Staff costs	755,453	551,080
Management fees	67,500	54,000
Depreciation of plant and equipment	8,283	6,169
Services fees	198,127	152,944
Other expenses	84,489	49,262
	<hr/>	<hr/>
<b>Total expenses</b>	<b>1,394,215</b>	<b>909,985</b>
	<hr/>	<hr/>
<b>Profit and total comprehensive income for the financial period/year</b>	<b>174,557</b>	<b>453,273</b>
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The accompanying notes form an integral part of these financial statements.

**SINGAPORE CHINESE DANCE THEATRE**

**BALANCE SHEET**

**At 31 March 2022**

	Note	31.3.2022 \$	31.12.2020 \$
<b>Non-current asset</b>			
Plant and equipment	4	9,821	18,104
		<hr/>	
<b>Current assets</b>			
Trade receivables		23,992	2,589
Other receivables	5	2,250	45,353
Fixed deposits	6	814,213	815,005
Bank balances		1,053,300	858,054
		<hr/>	
		1,893,755	1,721,001
		<hr/>	
<b>Total assets</b>		<b>1,903,576</b>	<b>1,739,105</b>
		<hr/>	
<b>Current liabilities</b>			
Trade payables		44,642	—
Other payables	7	255,081	298,068
Contract liabilities	8	100,369	112,110
		<hr/>	
		400,092	410,178
		<hr/>	
<b>Net assets</b>		<b>1,503,484</b>	<b>1,328,927</b>
		<hr/>	
<b>Accumulated funds</b>		<b>1,503,484</b>	<b>1,328,927</b>
		<hr/>	

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

**SINGAPORE CHINESE DANCE THEATRE**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS**  
**For the financial period ended 31 March 2022**

	\$
Balance at 1 January 2020	875,654
Profit and total comprehensive income for the financial year	453,273
Balance at 31 December 2020	<u>1,328,927</u>
Profit and total comprehensive income for the financial period	174,557
<b>Balance at 31 March 2022</b>	<b><u>1,503,484</u></b>

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



**SINGAPORE CHINESE DANCE THEATRE**

**STATEMENT OF CASH FLOWS**

**For the financial period ended 31 March 2022**

	1.1.2021 to 31.3.2022 \$	1.1.2020 to 31.12.2020 \$
<b>Cash flows from operating activities</b>		
Profit for the financial period/ year	174,557	453,273
Adjustments for:		
Depreciation of plant and equipment	8,283	6,169
Interest income	(4,213)	(3,148)
Operating cash flows before movements in working capital	178,627	456,294
<b>Changes in working capital</b>		
Trade and other receivables	22,492	(17,856)
Trade and other payables	1,655	(32,576)
Contract liabilities	(11,741)	43,701
<b>Net cash generated from operating activities</b>	191,033	449,563
<b>Cash flows from investing activities</b>		
Additions to plant and equipment, net	–	(1,354)
Interest received	3,421	6,280
<b>Net cash generated from investing activities</b>	3,421	4,926
<b>Net increase in cash and cash equivalents</b>	194,454	454,489
Cash and cash equivalents at beginning of financial period/year	1,673,059	1,218,570
<b>Cash and cash equivalents at end of financial period/year</b>	1,867,513	1,673,059
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	814,213	815,005
Bank balances	1,053,300	858,054
	1,867,513	1,673,059

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

# SINGAPORE CHINESE DANCE THEATRE

## NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 31 March 2022

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

### 1 Corporate information

The Company (Co. Reg. No. 201419196W) is incorporated and domiciled in Singapore. Its registered office is located at 5 Sennett Road, Singapore 466781.

The principal activities of the Company are principally engaged in the business of production of live cultural dance drama and other stage performance, and charitable and other supporting activities aimed at advancing arts and heritage.

The Company has been approved as an Institution of a Public Character under the Charities Act since 17 February 2016. On 15 August 2022, this status is extended for another 2.5 years with effect from 17 August 2022 to 16 February 2025.

In accordance with the Memorandum of Association, each member of the Company has undertaken to contribute such amount not exceeding \$1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company.

### 2 Summary of significant accounting policies

#### (a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”), which is the Company’s functional currency, have been prepared in accordance with the provisions of the Companies Act 1967, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on the Committee of Management’s best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of cash and cash equivalents, fixed deposits, current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

## 2 Summary of significant accounting policies (cont'd)

### (a) Basis of preparation (cont'd)

#### *New and revised standards*

In the current financial period, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial period. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company for current financial period or prior financial years.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial period ended 31 March 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

### (b) Revenue recognition

Course fee is recognised as a performance obligation satisfied over time. Revenue from course fee is recognised over the duration of the programmes and in the period in which the service is provided, having regard to the stage of completion of the service. Unearned income relating to the service to be rendered in future periods are included in contract liabilities.

Donation income is recognised when it is received.

Interest income is recognised on a time proportion basis using the effective interest method.

### (c) Government grants

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

When the grant relates to an expense item, it is recognised as income over the period necessary to match them on a systematic basis to the expense that it is intended to compensate.

### (d) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to profit or loss in the period in which the related service is performed.

### (e) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to allocate the depreciable amount of plant and equipment over their estimated useful lives, using the straight-line method as follows:

	Years
Furniture, fittings and equipment	5
Computers	3
Renovations	5

## 2 Summary of significant accounting policies (cont'd)

### (e) Plant and equipment (cont'd)

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

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

### (f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

### (g) Financial assets

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

#### *Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets at amortised cost.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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

## 2 Summary of significant accounting policies (cont'd)

### (h) Financial assets (cont'd)

#### *Subsequent measurement*

Debt instruments include cash and cash equivalents, trade and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Company's business model for managing the asset and cash flow characteristics of the asset.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

#### *Impairment*

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

For trade receivables and contract assets that do not have a significant financing component, the Company applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

### (h) Financial liabilities

Financial liabilities include other payables (excluding contract liabilities) which are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

**2 Summary of significant accounting policies (cont'd)****(i) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

**(j) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

**3 Staff costs**

	<b>1.1.2021 to 31.3.2022 \$</b>	<b>1.1.2020 to 31.12.2020 \$</b>
Salaries and related costs	664,800	497,981
CPF	90,653	53,099
	<b>755,453</b>	<b>551,080</b>

The above includes remuneration to key management personnel as follows:

Salaries and related costs	86,899	-
CPF	14,778	-
	<b>101,677</b>	<b>-</b>



**4 Plant and equipment**

	Furniture, fittings and equipment \$	Computers \$	Renovation \$	Total \$
<b>2022</b>				
<b>Cost</b>				
At 1 January 2021	12,116	8,120	27,432	47,668
At 31 March 2022	<b>12,116</b>	<b>8,120</b>	<b>27,432</b>	<b>47,668</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	9,827	6,760	12,977	29,564
Depreciation	860	564	6,859	8,283
At 31 March 2022	<b>10,687</b>	<b>7,324</b>	<b>19,836</b>	<b>37,847</b>
<b>Net carrying value</b>				
At 31 March 2022	<b>1,429</b>	<b>796</b>	<b>7,596</b>	<b>9,821</b>
<b>2020</b>				
<b>Cost</b>				
At 1 January 2020	12,116	6,766	27,432	46,314
Additions	–	1,354	–	1,354
At 31 December 2020	12,116	8,120	27,432	47,668
<b>Accumulated depreciation</b>				
At 1 January 2020	9,144	6,760	7,491	23,395
Depreciation	683	–	5,486	6,169
At 31 December 2020	9,827	6,760	12,977	29,564
<b>Net carrying value</b>				
At 31 December 2020	2,289	1,360	14,455	18,104

**5 Other receivables**

	31.3.2022 \$	31.12.2020 \$
Grant receivable from Jobs Support Scheme	–	30,109
Sundry receivables	1,250	14,044
Deposits	1,000	1,200
	<b>2,250</b>	<b>45,353</b>

**6 Fixed deposits**

All fixed deposits mature within 8 months (2020: 5 months) from the balance sheet date and earn interest rates ranging from 0.05% to 0.45% (2020: 0.05% to 0.45%) per annum.

**7 Other payables**

	31.3.2022	31.12.2020
	\$	\$
Other accruals	10,733	6,073
Accrued operating expenses	61,241	67,066
Deferred grant income	183,107	224,929
	<u>255,081</u>	<u>298,068</u>

**8 Contract liabilities**

Contract liabilities comprise fees received in advance. Contract liabilities are recognised as revenue as (or when) the Company satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers.

	31.3.2022	31.12.2020	1.1.2020
	\$	\$	\$
Contract liabilities	100,369	112,110	68,409

Contract liabilities have decreased in advances received from Co-curricular Activities “CCA” of \$Nil (2020: \$22,000) and increased in advances received from course fees of \$10,000 (2020: \$22,000) in the financial period ended 31 March 2022.

**9 Related party transactions**

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties on terms agreed between the parties during the financial period:

	1.1.2021 to 31.3.2022	1.1.2020 to 31.12.2020
	\$	\$
<b>With related parties</b>		
Donation income received	150,000	150,000
Management fees paid	67,500	54,000
Services fees paid	177,973	150,320
Services fees paid to associate	100,265	–
Music and dance programme income received	23,400	13,500

Related parties refer to companies in which certain committee members of the Company are also the director of such companies.

## 10 Financial instruments

### (a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	31.3.2022	31.12.2020.
	\$	\$
<i>Financial assets</i>		
Trade receivables	23,992	2,589
Other receivables (excluding prepayments)	2,250	45,353
Fixed deposits	814,213	815,005
Bank balances	1,053,300	858,054
Financial assets at amortised costs	<u>1,893,755</u>	<u>1,721,001</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>105,883</u>	<u>67,066</u>

### (b) Financial risk management

The Company's activities expose to minimal financial risks and overall risk management is determined and carried out by the Committee of Management.

#### *Foreign exchange risk*

The Company transacts mainly in Singapore dollar and as such it has no significant foreign exchange risk.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the balance sheet date, the Company has no significant concentrations of credit risk except for fixed deposits and bank balances which are placed with reputable financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

The following sets out the Company's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Company has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

## 10 Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Company considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results / key financial performance ratios of the debtor.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

##### *Definition of default*

The Company considers an event of default for internal credit risk management purposes.

The Management considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *Estimation techniques and significant assumptions*

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

There has been no change in the estimation techniques or significant assumptions made during the current financial period for recognition and measurement of credit loss allowance.

##### *Financial assets at amortised cost*

Financial assets at amortised costs includes trade and other receivables, and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised cost as at 31 March 2022 and 31 December 2020 is insignificant, and accordingly no credit loss allowance is recognised as at 31 March 2022 and 31 December 2020.

## 10 Financial instruments (cont'd)

### (b) Financial risk management (cont'd)

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its fixed deposits held with reputable financial institutions. The Company monitors interest rates to ensure that these financial assets are maintained at favourable rates.

The sensitivity analysis for interest rate risk for those financial assets at variable interest rates is not disclosed as the effect on profit or loss is not considered significant.

#### *Liquidity risk*

The Committee of Management exercises prudent liquidity risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

### (c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their respective fair values due to relatively short-term maturity of these financial instruments.

## 11 Capital management

The Company's objectives when managing its capital are to safeguard and maintain adequate working capital to continue as a going concern. The Company's capital comprises its accumulated fund on the balance sheet.

No changes were made to the Company's capital management objectives or policies during the financial periods ended 31 March 2022 and 31 December 2020.

## 12 Comparative figures

The financial statements for the financial period ended 31 March 2022 cover the financial period from 1 January 2021 to 31 March 2022 whereas financial statements for the previous financial period ended 31 December 2020 cover the financial period from 1 January 2020 to 31 December 2020. As such, the statement of comprehensive income, statement of cash flows, statement of changes in equity and related notes for current financial period and previous financial period are not comparable.

## 13 Authorisation of financial statements

The financial statements of the Company for the financial period ended 31 March 2022 were authorised for issue in accordance with a resolution of the Committee of Management dated 2 September 2022.