PLAYEUM LTD.

[UEN. 201333807K]
[A company limited by guarantee and not having share capital]
[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONTENTS

Fiducia LLP
(UEN. T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Playeum Ltd. (the "Company") for the financial year ended 31 March 2021.

In the opinion of the directors,

a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and

b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Irene Liu	
Loh Nee Sian	
Sumitra Pasupathy	
Susan Carol Adams	
Toh Wee Boon, Leon	
Jaelle Ang Ker Tjia	(Resigned on 10 May 2021)
Petrina Kow Wei Shih	(Resigned on 10 May 2021)

Arrangements to enable directors to acquire benefits

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

Other matters

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

Independent auditors

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

On behalf of the Board of Directors,

DocuSigned by:
9EF5BFF0ADC9419...
Irene Liu
Director

DocuSigned by:
Susan Carol Adams
494C607E4C66426...
Susan Carol Adams
Director

Singapore, 23 September 2021

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Playeum Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial activities, changes in the funds and cash flows of the Company 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 Company in accordance with the *Accounting and Corporate Regulatory* ("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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on page 2) but does not include the financial statements and our auditor's report thereon and the annual report.

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:

Playeum Ltd.
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

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

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

(b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:
Fiducia LLP
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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 23 September 2021

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
INCOME			
Donations	5	293,741	198,477
Donation-in-kind	11	0	1,499
Grants income	7	707,615	211,997
Outreach event income	5	0	59,955
Programme income	5	9,710	0
Services rendered	5	76,943	291,734
Teachers training	5	42,680	61,594
Other income		12,413	12,214
TOTAL INCOME		1,143,102	837,470
LESS: EXPENDITURE			
Cost of generating funds			
Advertisement		29	13,597
Changing installation/screening		0	7,040
Event management		42,109	123,293
Fund-raising		35,456	3,563
Maintenance		263	2,510
Production and material costs		1,166	5,665
Subcontracting		18,997	77,609
Transport and installation log		1,621	2,447
		99,641	235,724
Governance and other administrative costs			
Bank charges		474	965
Depreciation of property, plant and equipment	11	17,524	27,021
Insurance		782	1,564
General expenses		1,800	12,493
Office supplies		15,335	27,911
Operating lease		22,296	125,574
Professional fees		9,186	7,941
Repairs and maintenance		3,333	3,106
Staff costs	8	414,943	439,372
Training costs		1,455	1,788
Transaction fees		561	2,642
Travelling		82	1,624
		487,771	652,001
Total expenditure		587,412	887,725
Net income/(expenditure) for the year		555,690	(50,255)
Total fund at the beginning of the year		9,980	60,235
Total funds at the end of the year		565,670	9,980

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Current assets			
Cash and cash equivalents	9	667,045	353,474
Trade and other receivables	10	47,795	88,943
		714,840	442,417
Non-current assets			
Property, plant and equipment	11	0	17,524
Total assets		714,840	459,941
LIABILITIES			
Current liabilities			
Other payables	12	149,170	200,161
Contract liabilities	5	0	219,800
Provision for restoration cost	14	0	30,000
Total liabilities		149,170	449,961
NET ASSETS		565,670	9,980
FUNDS			
Unrestricted fund			
General fund	15	515,097	9,980
Restricted funds			
Invictus fund	16	23,760	0
President's Challenge fund	16	26,813	0
		50,573	0
TOTAL FUNDS		565,670	9,980

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Balance at beginning of financial year S$	Net income/ (expenditure) for the year S$	Balance at end of financial year S$
2021				
Unrestricted fund				
General fund	15	9,980	505,117	515,097
Restricted funds				
Invictus fund	16	0	23,760	23,760
President's Challenge fund	16	0	26,813	26,813
		0	50,573	50,573
Total funds		9,980	555,690	565,670
2020				
Unrestricted fund				
General fund	15	60,235	(50,255)	9,980
Total fund		115,665	(50,255)	9,980

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
Net income/(expenditure) for the year		555,690	(50,255)
Adjustments for:			
- Depreciation of property, plant and equipment	11	17,524	27,021
- Donation-in-kind received for property, plant and equipment	11	0	(1,499)
- Utilisation of donations received in advance	5	(219,800)	(12,871)
- Utilisation of grants received in advance	13	(94,167)	(211,997)
Operating cash flow before changes in working capital		259,247	(249,601)
Changes in working capital			
- Trade and other receivables		41,148	(46,096)
- Other payables		(87,706)	282,164
Cash (used in)/generated from operations		(46,558)	236,068
Net cash generated from/(used in) operating activities		212,689	(13,533)
Cash flows from financing activity			
Receipts of grants	13	100,882	211,017
Net cash generated from financing activity		100,882	211,017
Net increase in cash and cash equivalents		313,571	197,484
Cash and cash equivalents at beginning of financial year		353,474	155,990
Cash and cash equivalents at end of financial year	9	667,045	353,474

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

1. General information

Playeum Ltd. (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and the principal place of operation is located at 21 Bedok North Street 1, #01-01 Singapore, 469659.

The principal activities of the Company are those of promoting dramatic arts, music and other art activities.

The Company is a company limited by guarantee. The Company was incorporated on 17 December 2013 and was registered as a charity under the Charities Act, Chapter 37 since 11 August 2014. The Company has been accorded the Institutions of a Public Character ("IPC") status from 1 December 2019 to 30 November 2020. The Company has renewed its IPC status from 1 December 2020 to 31 December 2021.

As at 31 March 2021, the Company has 5 (2020: 7) members.

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 one dollar (S$1).

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

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

2.1.1 Interpretations and amendments to published standards effective in 2021

In the current financial year, the Company has adopted all the new and revised FRSs and interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective on 1 January 2021. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

Except for the adoption of amendments to FRS 116 Leases, the adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Centre's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2021 (Cont'd)

Early adoption of Amendments to FRS 116 Leases – COVID-19 Related Rent Concessions

The Company has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

c) there is no substantive change to other terms and conditions of the lease.

The Company has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S$38,049 was recognised as negative variable lease payments in the statement of financial activities during the financial year (Note 18).

2.1.2 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116 Interest Rate Benchmark Reform - Phase 2	1 January 2021
FRS 16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
FRS 103 Reference to the Conceptual Framework	1 January 2022
Annual Improvements to FRSs 2018 - 2020	1 January 2022
FRS 37 Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
FRS 1 Classification of Liabilities as Current or Non-current	1 January 2023
FRS 110 and FRS 28 Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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 Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

2.2.1 Donations

Donations are recognised and accrued in the statement of financial activities as and when they are committed. Uncommitted donations are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services

Revenue from services is recognised over the period in which the services are performed and rendered.

2.2.3 Programme income

Income generated from social activities, events and programmes are recognised when the related event is held.

2.2.4 Teachers training

Income generated from training programmes, learning journeys and retreats provided to teachers are recognised when the related event is held.

2.2.5 Space design

Income generated from designing and consulting the space are recognised according to the completion and handover of the space.

2.2.6 Other income

Other income is recognised as income upon receipt.

2.3 Government grants

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

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

2. Significant accounting policies (Cont'd)

2.4 Expenditure recognition

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

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an 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 Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Property, plant and equipment

2.5.1 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.

2.5.2 Depreciation

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

	Useful lives
Computers	1 year
Office equipment	3 years
Furniture and fittings	5 years

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 still in use are retained in the financial statements.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.3 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.

2.5.4 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.

2.6 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, the recoverable amount (i.e. the higher of the fair value less cost to sell and 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, 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 statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.7 Cash and cash equivalents

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

2.8 Financial assets

(a) Classification and measurement

The Company classifies its financial assets into amortised cost measurement category.

The classification of debt instruments depends on the Company'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.

2 Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

(a) Classification and measurement (cont'd)

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

At initial recognition

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

At subsequent measurement

Debt instrument

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

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

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

(b) Impairment

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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

2. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

(c) Recognition and derecognition

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

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

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

2.9 Financial liabilities

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

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

2.10 Other payables

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 expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs the obligations under the contract.

2.12 Provisions for other liabilities and charges

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

2. Significant accounting policies (Cont'd)

2.13 Leases

At the inception of the contract, the Company assesses 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.

As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

Lease liabilities

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

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 is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

As lessee (Cont'd)

Lease liabilities (Cont'd)

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

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

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

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

Short-term leases and leases of low-value assets

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

Variable lease payments

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

2. Significant accounting policies (Cont'd)

2.14 Employee compensation

2.14.1 Defined contribution plans

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

2.14.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Funds

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

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

2.16 Contingencies

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

2.17 Events after the reporting date

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

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Significant accounting judgements and estimates (Cont'd)

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, 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.

3.1.1 Government grants

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

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2.1 Impairment of trade and other receivables

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 Company 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 ECL of trade and other receivables, the Company 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 (GDP) and unemployment rate to reflect the current and forward-looking information.

As at the reporting date, there is no ECL provided.

4. Income tax

The Company is a charity registered under the Charities Act since 11 August 2014. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

5. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

	Note	2021 S$	2020 S$
Revenue from:			
Donations	6	293,741	198,477
Outreach event income		0	59,955
Programme income		9,710	0
Services rendered		76,943	291,734
Teachers training		42,680	61,594
		423,074	611,760

All the income above are recognised at a point in time.

b) Contract liabilities

	2021 S$	2020 S$
Amounts received in advance for donations and service fee	0	219,800

(i) Income recognised in relation to contract liabilities

	2021 S$	2020 S$
Revenue recognised in current year that was included in contract liabilities balance at the beginning of the year	219,800	12,871

The contract liabilities relate to the unamortised portion of the annual passes for the Children's Centre for Creativity and donations received in advance for the unsatisfied performance obligation in providing services and events to be held. Revenue will be recognised when the events are held and services rendered over the period.

The significant changes in contract liabilities balances due to recognition of income for the donations received in advance in 2020 for the Tatler's "Words without Walls" fundraising event which was initially scheduled to be held on 13 March 2020 to 14 March 2020. The event was re-scheduled and postponed on 21 January 2021. Donation income was recognised as at 31 March 2021.

(ii) Unsatisfied performance obligations

The Company is applying the practical expedient in the paragraph 121 of FRS 115. Under this practical expedient, the Company need not disclose the information about its transaction price allocated to the remaining performance obligation as the Company recognised revenue from the satisfaction of the performance obligation in accordance to the right to consideration from a customer in an amount that performance obligation is part of a contract that has an original expected duration of one year or less.

6. Donations

	Note	2021 S$	2020 S$
Tax deductible donations		283,663	154,270
Non-tax deductible donations		10,078	44,207
	5	293,741	198,477

During the financial year, the Company issued tax deductible receipts, for donations totalling S$52,404 (2020: S$366,800) pursuant to its Institutions of a Public Character ("IPC") status. Included amount of S$NIL (2020: S$212,530) for tax deductible receipts issued for donation received in advance for event, Tatler's "Words without Walls", recorded as contract liabilities in the statement of financial position.

7. Grants income

	Note	2021 S$	2020 S$
Bicentennial Community Fund		375,984	0
Charity Support Fund		0	50,000
Cultural Matching Fund		85,466	80,304
Digital Presentation Grant		3,844	0
Invictus Fund	16	50,000	0
Jobs Support Scheme		140,388	0
Presentation and Participation Grant		0	26,600
President's Challenge	16	26,813	0
SG Strong Fund		4,194	0
The Community Foundation of Singapore grant		10,000	0
VWOs Charities Capability Fund		0	20,950
Workforce Advancement Federation grant		5,000	0
Other grants		5,926	34,143
		707,615	211,997

8. Staff costs

	2021 S$	2020 S$
CPF and SDL contributions	51,200	55,624
Salaries and related costs	363,743	383,748
	414,943	439,372

9. Cash and cash equivalents

	2021 S$	2020 S$
Cash on hand	0	656
Cash at banks	667,045	352,818
	667,045	353,474

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

10. Trade and other receivables

	2021 S$	2020 S$
Trade receivables	24,013	20,358
Other receivables		
Grant receivables – Jobs Support Scheme	20,948	59,113
Deposits	1,800	4,083
Prepayments	1,034	5,389
	23,782	68,585
	47,795	88,943

Trade receivables are non-interest bearing and are generally on 30 days' (2020: 30 days') terms.

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 payouts are intended to offset local employees' wages and help protect their jobs.

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

<u>Receivables that are past due but not impaired</u>

The Company had trade receivables amounting to S$20,453 (2020: S$20,358) 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 is as follows:

	2021 S$	2020 S$
Trade receivables past due but not impaired:		
Less than 30 days	9,070	10,459
31 to 60 days	3,000	3,440
More than 60 days	8,383	6,459
	20,453	20,358

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

11. Property, plant and equipment

	Computer S$	Office equipment S$	Furniture and fittings S$	Total S$
Cost				
At 1 April 2019	32,778	8,856	144,668	186,302
Additions	1,499	0	0	1,499
At 31 March 2020	34,277	8,856	144,668	187,801
Written off	0	(8,856)	(144,668)	(153,524)
At 31 March 2021	34,277	0	0	34,277
Accumulated depreciation				
At 1 April 2019	32,365	3,732	107,159	143,256
Depreciation	1,287	2,001	23,733	27,021
At 31 March 2020	33,652	5,733	130,892	170,277
Depreciation	625	13,776	3,123	17,524
Written off	0	(19,509)	(134,015)	(153,524)
At 31 March 2021	34,277	0	0	34,277
Carrying amount				
31 March 2020	625	3,123	13,776	17,524
31 March 2021	0	0	0	0

In the prior financial year, the Company received donated computer from third party. The value of the computer was estimated at S$1,499 on the open market value. No cash outflow of property, plant and equipment in the current and prior year.

12. Other payables

	Note	2021 S$	2020 S$
Accruals		10,687	47,051
Deferred grant income – Jobs Support Scheme		38,780	59,113
Grants received in advance	13	99,672	92,957
Other payables		31	1,040
		149,170	200,161

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the entity recognises the related salary costs.

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

13. Grants received in advance

	P&P Grant S$	UK Online S$	IMDA S$	NCSS – CSF Fund S$	ACRP Operating Grant S$	Charities Aid Foundation America S$	DPG S$	CMF S$	NCSS – VCF Fund S$	SG Strong Fund S$	Total S$
2021											
Beginning of the year	0	0	0	0	0	6,819	0	77,409	8,729	0	92,957
Grants received	0	0	200	0	75,000	463	8,000	8,025	0	9,194	100,882
Utilised during the year	0	0	(200)	0	0	(463)	(3,844)	(85,466)	0	(4,194)	(94,167)
End of the year	0	0	0	0	75,000	6,819	4,156	(32)	8,729	5,000	99,672
2020											
Beginning of the year	8,800	28	0	0	0	0	0	55,430	29,679	0	93,937
Grants received	17,800	34,115	0	50,000	0	6,819	0	102,283	0	0	211,017
Utilised during the year	(26,600)	(34,143)	0	(50,000)	0	0	0	(80,304)	(20,950)	0	(211,997)
End of the year	0	0	0	0	0	6,819	0	77,409	8,729	0	92,957

The movements of the grants received in advance relates to the Presentation & Participation Grant ("P&P"), UK Online Giving Foundation ("UK Online"), IMDA, Community Chest Charity Support Fund ("CSF"), Art and Culture Resilience Package ("ACRP") Operating Grant, Charities Aid Foundation America, Digital Presentation Grant for the Arts ("DPG"), Cultural Matching Fund ("CMF"), VWOs-Charities Capability Fund Consultancy Grant ("VCF"), and Singapore ("SG") Strong Fund.

P&P is a project based grant established by National Arts Council for the Company to apply for towards projects such as Making it Home, Kids Connect, Going Places, Make Your Mark exhibitions and I-Opener.

IMDA encourages companies to move into e-invoicing network.

ACRP operating grant provides fund to support Company's programme and activities.

Charities Aid Foundation America provides funds to support the Company's programmes and activities.

DPG provides fund to support "Artists in Session for Playeum at Home LIVE".

CMF is a dollar-for-dollar matching grant for private cash donations to registered charities in the arts and heritage sector.

13. Grants received in advance (Cont'd)

VCF fund is established by National Council of Social Service (NCSS) which aims to facilitate the development of internal control policies and procedures of the Company.

CSF fund is established by National Council of Social Service (NCSS) to provide programmes to empower service users and families, capital expenditure and capability building for community engagements with the aim of unlocking resources for service users.

SG Strong Fund Aims to develop and distribute art-based STEM (Science, Technology, Engineering and Mathematics) kits that children can play with and experiment. The team has also developed a manual with lesson ideas and video to assist the teachers. The whole kit comes with all essential art materials including paints. They aim to serve 1400 primary school children.

UK Online aims to improve the charitable landscape by reducing the costs and overhead of donation processing through aggregation, automation and outsourcing.

During the year, NAC funded S$12,000 on April 2020 for the project Construction "Building Ideas". However due to the COVID-19 pandemic, the Centre was required to close on March 2020, thus the fund was returned to NAC on 28 October 2020.

14. Provision for restoration cost

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition stipulated in the operating lease agreements. The Company expects to incur the liability upon termination of the lease.

A provision is recognised for the present value of costs to be incurred for the restoration of the operating lease for the Company's premises at 47 Malan Road Singapore 109444. The Company has extended the lease in 2019 and the extended lease commence on 1 August 2019 and expires on 31 July 2020. The Company further extended the lease till 31 August 2020 subsequently and shifted to 21 Bedok North Street 1, #01-01 Singapore 469659 with effect from 01 September 2020.

The management has reversed out the balance of unutilised provision of S$1,769 during the current financial year ended 31 March 2021.

There is no requirement for restoration in the Company's new and existing lease.

15. Unrestricted fund

General fund

General fund is expendable at the discretion of the Board of Directors for the achieving of the Company's overall objectives and purposes.

16. Restricted funds

Invictus fund

	Note	2021 S$	2020 S$
Balance at beginning of financial year		0	0
Grant income received during the year	7	50,000	0
Disbursement		(26,240)	0
Balance at end of financial year		23,760	0

Invictus fund is received from National Council of Social Service. The purpose of the grant provided is to support the Company in maintaining service delivery and serving clients safely and effectively during the pandemic.

President's Challenge fund

	Note	2021 S$	2020 S$
Balance at beginning of financial year		0	0
Grant income received during the year	7	26,813	0
Balance at end of financial year		26,813	0

President's Challenge (2021) fund represents grant received/receivable from National Council of Social Service (NCSS) which seeks to empower vulnerable groups by building a digitally inclusive society where digital technologies are accessible to all, so that no one is left behind.

16. Restricted funds (Cont'd)

President's Challenge fund (Cont'd)

The supported programme, "Giving Tuesdays: Open Minds, Open Doors". Little is known on how play supports children with a disability in terms of the development of executive and 21st century skills. Understanding what children can do through play is a process of discovery and Giving Tuesdays provides the opportunity for further exploration and observation on this.

17. Related party transactions

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

	2021 S$	2020 S$
With directors		
Donations received from directors	426	6,750
Sales to directors	600	0
Donations received from director's spouse	12,753	1,000

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

	2021 S$	2020 S$
Salaries and other short-term employee benefits	194,824	194,921
Post-employment benefits – employer's contributions to CPF	22,668	22,691
	217,492	217,612

No. of executive of the Company in remuneration bands:		
Above S$100,000 and below S$200,000	1	1
S$100,000 and below	1	1

The key management personnel are those Executive Director and Director of Operations who are not members of the Board of Directors.

During the current and previous year, none of the Board of Directors received any remuneration from the Company except for 1 of the directors disclosed above.

18. Leases

	2021 S$	2020 S$
Lease expense not capitalised as liabilities:		
Expense relating to short-term leases		
Rental of premises *		
- Governance and administrative costs	21,365	123,142
Leasing of software and photocopy machine		
- Governance and administrative costs	931	2,215
	22,296	125,357

* This includes COVID-19 related rent concessions received from lessor of S$38,049 to which the Company has applied the practical expedient as disclosed in Note 2.1.

During the financial year, the Company's total cash outflows for leases amounts to S$15,201 (2020: S$125,357).

19. Operating lease commitment

As at 31 March 2021, the Company has commitment for future minimum lease payment under non-cancellable operating leases for its office premises and office equipment are as follows:

	2021 S$	2020 S$
Not later than one year	0	48,525

As disclosed in Note 2.1.1, the Company has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 March 2021, except for short-term and low-value assets.

The Company has extended the lease in 2019 and the extended lease commenced on 1 August 2019 and expired on 31 July 2020. The Company has further extended the lease until 29 February 2022, but this was pre-terminated on 31 August 2020.

The Company subsequently shifted to a new principal place of operation, located at 21 Bedok North Street 1, which commenced from 1 September 2020 to 31 March 2022.

20. Financial instruments by category

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

	2021 S$	2020 S$
Financial assets, at amortised cost	713,806	437,028
Financial liabilities, at amortised cost	10,718	78,091

21. Financial risk management

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

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

21.1 Liquidity risk

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

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

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

	Within one year S$	Later than one year but not later than five years S$	Total S$
2021			
Financial assets			
Cash and cash equivalents	667,045	0	667,045
Trade and other receivables (excluding prepayments)	46,761	0	46,761
	713,806	0	713,806
Financial liabilities			
Other payables (excluding deferred grants - JSS and grants received in advance)	(10,718)	0	(10,718)
	(10,718)	0	(10,718)
Net financial assets	703,088	0	703,088
2020			
Financial assets			
Cash and cash equivalents	353,474	0	353,474
Traded and other receivables (excluding prepayments)	83,554	0	83,554
	437,028	0	437,028
Financial liabilities			
Other payables (excluding deferred grants - JSS and grants received in advance)	(48,091)	0	(48,091)
Provision for restoration cost	(30,000)	0	(30,000)
	(78,091)	0	(78,091)
Net financial assets	358,937	0	358,937

21. Financial risk management (Cont'd)

21.2 Credit risk

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

Exposure to credit risk

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

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 Company. 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.

Financial assets that are either past due or impaired

There are no financial assets that are either past due or impaired for the financial year ended 31 March 2021.

21.3 Interest rate risk

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

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

22. Fair values

As at 31 March 2021, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximates their fair values due to their short-term nature.

23. Reserve position and policy

The Company's reserve position for financial year ended 31 March 2021 is as follows:

		2021	2020	Increase/ (Decrease)
		S$'000	S$'000	%
A	Unrestricted Funds			
	General fund	515	10	5,050
B	Restricted or Designated Funds			
	Restricted Funds	51	0	100
C	Endowment Funds	0	0	0
D	Total Funds	566	10	5,560
E	Total Annual Operating Expenditure	587	888	(34)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.96	0.01	

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

The Company's reserve policy is as follows:

The reserves that the Board of Directors have set aside to provide financial stability and the means for the development of the Company's principal activities. The Company intend to establish the reserves at a level equivalent to 2 years of operating expenditure through increasing awareness of the activities, seeking more donors both private and corporate and fund-raising efforts. The Board of Directors reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

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

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The nature of the Company's activities are those of promoting dramatic arts, music and other arts. The Company is maintained through donations received from the public and grants income provided by the government authority. Therefore, the impact of COVID-19 on the Company's operations are minimal. Summarise the impact of COVID-19 as below on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

i. The Company 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 pandemic situation and will take further action as necessary in response to the service disruptions.

ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.

24. Impact of COVID-19 (Coronavirus Disease 2019) (Cont'd)

iii. In 2021, the Company has received rental waiver for its office rental during the circuit breaker period enforced by the Singapore Multi-Ministry Taskforce. The effects of such rental concession received are disclosed in Note 18.

iv. The government has also implemented assistance measure which might mitigate some of the impact of COVID-19 on the Company's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022. If the situation persists beyond management's current expectations, the Company assets may be subject to further write downs in the subsequent financial periods.

25. Comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassification were made:

	As previously reported S$	Reclassification S$	As reclassified S$
31.03.2020			
Statement of cash flows			
Adjustments for:			
- Utilisation of donations received in advance	0	(12,871)	(12,871)
- Utilisation of grants received in advance	0	(211,997)	(211,997)
Changes in working capital			
- Other payables	57,296	224,868	282,164

26. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 23 September 2021.