

SINGAPORE CHINESE CULTURAL CENTRE
(Registration No: 201309577Z)

(Institution of a public character and registered under the Charities Act 1994)

Statement by director and financial statements

Year ended 31 March 2022

RSM Chio Lim LLP

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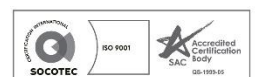
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SINGAPORE CHINESE CULTURAL CENTRE

Statement by directors and financial statements

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SINGAPORE CHINESE CULTURAL CENTRE

Statement by directors

The directors of Singapore Chinese Cultural Centre (the “Company”) are pleased to present the financial statements of the Company for the reporting year ended 31 March 2022.

1. Opinion of the directors

In the opinion of the directors:

- (a) The accompanying 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 2022 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Chua Thian Poh (Chairman)
Zhong Sheng Jian (Vice-Chairman)
Ng Siew Quan (Honorary Treasurer)
Alvin Tan Tze Ee
Chan Choong Seng, Daniel
Goh Shiao Sing, Shaun
Leong Sin Yuen, William
Pang Lim
Perng Peck Seng
Seow Choke Meng
Tan Choo Hoon @ Tan Cheng Gay
Tan Kang Uei, Anthony
Tan Kim Liang Paul
Tan Whei Mien Joy
Tham Loke Kheng
Lim Hock Yu

3. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

The Company is a company limited by guarantee and has no share capital nor issued debentures.

4. Directors’ interests in shares and debentures

The Company is a company limited by guarantee and has no share capital nor issued debentures.

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5. Options

The Company is a company limited by guarantee. As such, there are no shares, options or unissued shares under option.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors,



.....
Chua Tian Poh
Director (Chairman)

15 July 2022



.....
Ng Siew Quan
Director (Honorary Treasurer)

**Independent auditor's report to the members of
SINGAPORE CHINESE CULTURAL CENTRE****Report on the audit of the financial statements*****Opinion***

We have audited the accompanying financial statements of Singapore Chinese Cultural Centre (the "Company"), which comprise the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the reporting 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 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and the Financial Reporting Standards in Singapore ("FRS") 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 funds and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

**Independent auditor's report to the members of
SINGAPORE CHINESE CULTURAL CENTRE**

Responsibilities of management and directors 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 Act, the Charities Act and Regulations and FRS, 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.

The directors' 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.

**Independent auditor's report to the members of
SINGAPORE CHINESE CULTURAL CENTRE**

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 the directors 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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 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.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

15 July 2022

Engagement partner – Appointment since reporting year ended 31 March 2019

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Statement of profit or loss and other comprehensive income Year ended 31 March 2022

	Note	2022			2021		
		Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
Income							
Government grants	4	19,470,622	-	19,470,622	17,661,448	-	17,661,448
Income from leasing facilities		1,195,095	-	1,195,095	629,650	-	629,650
Interest and dividend income		57,450	998,705	1,056,155	105,544	974,864	1,080,408
Donations	5	1,748,551	-	1,748,551	966,043	-	966,043
Fair value gain on investment securities		-	-	-	91,600	1,739,857	1,831,457
Other income	6	216,961	-	216,961	244,825	-	244,825
Total income		22,688,679	998,705	23,687,384	19,699,110	2,714,721	22,413,831
Expenditure							
Rental expense	20	(4,480,903)	-	(4,480,903)	(4,480,903)	-	(4,480,903)
Projects and activities expenses		(6,320,714)	-	(6,320,714)	(4,106,088)	-	(4,106,088)
Employee benefits	7	(3,666,403)	-	(3,666,403)	(3,318,357)	-	(3,318,357)
Administrative expenses		(4,768,544)	(55,219)	(4,823,763)	(4,814,066)	(34,609)	(4,848,675)
Depreciation and amortisation		(2,132,846)	-	(2,132,846)	(2,284,775)	-	(2,284,775)
Fair value loss on investment securities		-	(883,057)	(883,057)	-	-	-
Total expenditure		(21,369,410)	(938,276)	(22,307,686)	(19,004,189)	(34,609)	(19,038,798)
Net surplus before transfers		1,319,269	60,429	1,379,698	694,921	2,680,112	3,375,033
Transfers between operation fund and endowment fund		685,839	(685,839)	-	830,428	(830,428)	-
Total comprehensive income/(loss) for the year		2,005,108	(625,410)	1,379,698	1,525,349	1,849,684	3,375,033

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

SINGAPORE CHINESE CULTURAL CENTRE

Statement of financial position As at 31 March 2022

	Note	2022			2021		
		Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	8	1,232,416	–	1,232,416	1,673,314	–	1,673,314
Intangible asset – building use rights	9	5,262,860	–	5,262,860	6,850,847	–	6,850,847
Total non-current assets		6,495,276	–	6,495,276	8,524,161	–	8,524,161
<u>Current assets</u>							
Investment securities	10	–	25,902,111	25,902,111	2,213,961	29,370,622	31,584,583
Trade and other receivables	11	591,010	106,785	697,795	900,438	160,941	1,061,379
Other assets	12	338,220	–	338,220	87,541	–	87,541
Cash and cash equivalents	13	19,143,194	5,000,000	24,143,194	20,530,541	–	20,530,541
Total current assets		20,072,424	31,008,896	51,081,320	23,732,481	29,531,563	53,264,044
Total assets		26,567,700	31,008,896	57,576,596	32,256,642	29,531,563	61,788,205
FUNDS AND LIABILITIES							
<u>Funds</u>							
Accumulated operation fund	14	9,013,545	–	9,013,545	9,108,437	–	9,108,437
Accumulated endowment fund	15	–	30,996,653	30,996,653	–	29,522,063	29,522,063
Total funds		9,013,545	30,996,653	40,010,198	9,108,437	29,522,063	38,630,500
<u>Non-current liabilities</u>							
Deferred income	16	6,618,016	–	6,618,016	10,062,177	–	10,062,177
Total non-current liabilities		6,618,016	–	6,618,016	10,062,177	–	10,062,177
<u>Current liabilities</u>							
Deferred income	16	8,406,971	–	8,406,971	8,939,488	–	8,939,488
Trade and other payables	17	2,529,168	12,243	2,541,411	4,146,540	9,500	4,156,040
Total current liabilities		10,936,139	12,243	10,948,382	13,086,028	9,500	13,095,528
Total liabilities		17,554,155	12,243	17,566,398	23,148,205	9,500	23,157,705
Total funds and liabilities		26,567,700	31,008,896	57,576,596	32,256,642	29,531,563	61,788,205

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

SINGAPORE CHINESE CULTURAL CENTRE

Statement of changes in funds Year ended 31 March 2022

	Operation fund \$	Endowment fund \$	Total funds \$
Current year			
At 1 April 2021	9,108,437	29,522,063	38,630,500
Changes in funds			
Total comprehensive income/(loss) for the year	2,005,108	(625,410)	1,379,698
Transfer from operation fund to endowment fund	(2,100,000)	2,100,000	-
At 31 March 2022	<u>9,013,545</u>	<u>30,996,653</u>	<u>40,010,198</u>
Previous year			
At 1 April 2020	7,583,088	27,672,379	35,255,467
Changes in funds			
Total comprehensive income for the year	<u>1,525,349</u>	<u>1,849,684</u>	<u>3,375,033</u>
At 31 March 2021	<u>9,108,437</u>	<u>29,522,063</u>	<u>38,630,500</u>

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

SINGAPORE CHINESE CULTURAL CENTRE

**Statement of cash flows
Year ended 31 March 2022**

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
<u>Cash flows from operating activities</u>						
Net surplus before transfers	1,319,269	60,429	1,379,698	694,921	2,680,112	3,375,033
Adjustments for:						
Fair value loss/(gain) on investment securities	–	883,057	883,057	(91,600)	(1,739,857)	(1,831,457)
Depreciation and amortisation	2,132,846	–	2,132,845	2,284,775	–	2,284,775
Management fee	–	55,219	55,219	3,545	34,609	38,154
Deferred income	(16,737,915)	–	(16,737,915)	(13,941,888)	–	(13,941,888)
Interest and dividend income	(57,450)	(998,705)	(1,056,155)	(105,544)	(974,864)	(1,080,408)
Operating cash flows before changes in working capital	(13,343,250)	–	(13,343,250)	(11,155,791)	–	(11,155,791)
Trade and other receivables	336,865	–	336,865	(537,597)	–	(537,597)
Other assets	(250,679)	–	(250,679)	62,398	–	62,398
Trade and other payables	(1,464,711)	–	(1,464,711)	205,360	–	205,360
Deferred income received	12,761,237	–	12,761,237	12,732,259	–	12,732,259
Transfers between operation fund and endowment fund	(1,414,161)	1,414,161	–	830,428	(830,428)	–
Net cash flows (used in)/from operating activities	(3,374,699)	1,414,161	(1,960,538)	2,137,057	(830,428)	1,306,629

SINGAPORE CHINESE CULTURAL CENTRE

**Statement of cash flows (cont'd)
Year ended 31 March 2022**

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
<u>Cash flows from investing activities</u>						
Purchase of property, plant and equipment	(256,622)	–	(256,622)	(487,247)	–	(487,247)
Investment with fund manager	–	(2,231,460)	(2,231,460)	(2,100,000)	(1,917,399)	(4,017,399)
Proceeds from disposal of investment securities	2,231,460	5,000,000	7,231,460	–	1,500,000	1,500,000
Interest and dividend income received	12,514	817,299	829,813	69,961	830,916	900,877
Net cash flows from/(used in) investing activities	<u>1,987,352</u>	<u>3,585,839</u>	<u>5,573,191</u>	<u>(2,517,286)</u>	<u>413,517</u>	<u>(2,103,769)</u>
Net (decrease)/increase in cash and cash equivalents	(1,387,347)	5,000,000	3,612,653	(380,229)	(416,911)	(797,140)
Cash and cash equivalents at beginning of year	<u>20,530,541</u>	–	<u>20,530,541</u>	<u>20,910,770</u>	<u>416,911</u>	<u>21,327,681</u>
Cash and cash equivalents at end of year (note 13)	<u>19,143,194</u>	<u>5,000,000</u>	<u>24,143,194</u>	<u>20,530,541</u>	–	<u>20,530,541</u>

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

SINGAPORE CHINESE CULTURAL CENTRE

Notes to the financial statements Year ended 31 March 2022

1. General

The Singapore Chinese Cultural Centre (the “Company”) is incorporated in Singapore as a company limited by guarantee not having any share capital. The Company was granted the status of an Institution of a Public Character (“IPC”) from 1 February 2021 to 31 January 2023. The financial statements are presented in Singapore dollars.

In the event the Company is wound up, each member of the Company has undertaken to contribute to the assets of the Company an amount not exceeding the sum of ten Singapore dollars (\$10). The Company has three (3) members at end of the reporting year.

The memorandum and articles of the Company restricts the use of fund monies to the furtherance of the objects of the Company. They prohibit the payment of dividends to members.

The board of directors approved and authorised these financial statements for issue on the date of statement by directors.

The principal activity of the Company is to promote and showcase local distinctive Chinese culture.

The registered office address is at 1 Straits Boulevard, #11-01 Singapore Chinese Cultural Centre, Singapore 018906 (the “Premise”). The Company is situated in Singapore.

Covid-19 pandemic

The Covid-19 pandemic and its aftermath have caused, and will continue to cause, disruptions for the foreseeable future to, and create uncertainty surrounding, the Company’s business. There is significant uncertainty around the medium to long term impact of Covid-19. Economic forecasts are continually changing and government support for businesses are evolving. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the Company. Management will continue to closely monitor the further economic development and its impact. It is, however, reasonably probable that the Covid-19 pandemic will have an adverse impact on the Company’s revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”) and the related interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and the Charities Act 1994.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

SINGAPORE CHINESE CULTURAL CENTRE

1. General (cont'd)

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make 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 reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Company's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Grant income

Grants given in recognition of specific expenses are recognised as income in the same period as the relevant expenses. Similarly, grants and donations related to depreciable assets are usually recognised as income over the periods and in the proportions in which depreciation expense on those assets is recognised.

Leasing income

Income from leasing facilities is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Service income

The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Company and it is shown net of related goods and services tax and subsidies.

Interest income

Interest income is recognised using the effective interest method.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Dividend income

Dividend from equity instruments is recognised in profit or loss only when the Company's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the Company; and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

Gifts-in-kind

A gift-in-kind (if any) is included in the statement of profit or loss based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty over its receipt. No value is ascribed to volunteer services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Company's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the Company is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the Company operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Income tax

As an approved charity under the Charities Act 1994, the Company is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	20%
Office/IT equipment	20% – 100%
Building equipment	20%
Furniture and fixtures	20%
Stage and AV equipment	20%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Building use rights

Building use rights are carried at cost on initial recognition and after initial recognition at cost less any accumulated impairment losses. Expenditure relating to building use rights are capitalised when incurred. Cost recognition ceases once an item of the building use rights is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The building use right is amortised over a period of 108 months.

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Financial instruments

Recognition and de-recognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets

- (i) Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is: (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

- (ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI")

There were no financial assets classified in this category at reporting year end date.

- (iii) Financial asset that is an equity investment measured at FVTOCI

There were no financial assets classified in this category at reporting year end date.

- (iv) Financial asset classified as measured at FVTPL

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances:

- (i) The liabilities are managed, evaluated and reported internally on a fair value basis; or
(ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The Company's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Accounting for leases

The Company leases the Premise from the Ministry of Culture Community and Youth ("MCCY"). The lease term is for a period of 3 years commencing on 1 December 2016, with an option for a further term of 3 years, and a provision for a final term not exceeding 3 years subject to agreement with MCCY.

At the same time, since inception of the lease, MCCY has provided the Company with land rental subvention to offset the rental expenses in full. In addition, MCCY has also previously confirmed to the Company that it will continue to provide such land rental subvention up till 30 November 2022, i.e., the end of the current lease term.

SINGAPORE CHINESE CULTURAL CENTRE

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Accounting for leases (cont'd)

On 1 April 2019, the Company adopted FRS 116 *Leases*, which replaces the previous standard, FRS 17 *Leases*. FRS 116 provides a single accounting model for lessees, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

In the implementation of FRS 116, management has made certain critical judgements and key assumptions. In this regard, management has determined that the Company does not need to record the lease liability and corresponding right-of-use asset relating to the Premise because, due to the land rental subvention provided by MCCY, there is no lease liability and, accordingly, no right-of-use asset, to be recognised by the Company. As a result, the Company has recorded the land rental subvention from MCCY and rental expenses to MCCY as grant income and rental expense, respectively.

In addition, whilst the aforesaid confirmation from MCCY is only for the period up till 30 November 2022 whereas it is reasonably certain the Company will exercise the option to extend the lease for a further three years when the current lease term expires on 30 November 2022, management has no reason to believe that MCCY will not continue to provide such land rental subvention when the option is being exercised.

Useful life of intangible asset

The estimates for the useful life and related amortisation charges for intangible asset are based on the terms in the lease agreement entered into with MCCY, which could change significantly as a result of MCCY's decision in response to market conditions. As set out above, the lease term is for a period of 3 years commencing on 1 December 2016 with an option for a further term of 3 years and a provision for a final term not exceeding 3 years subject to agreement with MCCY. The amortisation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at end of reporting year affected by the assumption is \$5,262,860 (2021: \$6,850,847) (note 9).

3. Related parties relationships and transactions

The financial reporting standard on related party disclosures requires the reporting Company to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Company for which they are responsible, or from institutions connected with the Company except as disclosed below.

SINGAPORE CHINESE CULTURAL CENTRE

3. Related parties relationships and transactions (cont'd)

3A. Related parties transactions

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

The related party, Singapore Federation of Chinese Clan Associations, and the Company have common directors who have significant influence.

Significant related parties transactions

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	<u>Related party</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Reimbursement from co-shared projects	36,290	17,738
Projects and activities expenses	<u>(91,921)</u>	<u>(58,113)</u>

3B. Key management compensation

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short-term employee benefits	296,939	287,275
Number of key management personnel	<u>1</u>	<u>1</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The directors did not receive any remuneration.

3C. Other receivables and payables with related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

Movements in other payables to related parties are as follows:

	<u>Directors</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Other payables</u>		
At beginning of year	(2,200)	(2,200)
Advance received	(3,000)	-
Expense charged	2,254	-
At end of year	<u>(2,946)</u>	<u>(2,200)</u>

SINGAPORE CHINESE CULTURAL CENTRE

4. Government grants

	<u>2022</u>	<u>2021</u>
	\$	\$
Operating grant (note 16A)	11,540,843	10,327,000
Land rental subvention	4,480,903	4,480,903
Cultural matching fund (note 16B)	3,444,161	2,649,196
Other programme grants	4,715	204,349
	<u>19,470,622</u>	<u>17,661,448</u>

5. Donations

	<u>2022</u>	<u>2021</u>
	\$	\$
Tax deductible donations (note 16C)	1,705,055	900,980
Non-tax deductible donations (note 16C)	43,141	64,712
Other non-tax deductible donations	355	351
	<u>1,748,551</u>	<u>966,043</u>

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for donations made to the Company. The status was renewed for three years with effect from 1 February 2020 under the IPC scheme.

6. Other income

	<u>2022</u>	<u>2021</u>
	\$	\$
Reversal for impairment of trade receivables	-	3,943
Miscellaneous income	216,961	240,882
	<u>216,961</u>	<u>244,825</u>

7. Employee benefits

	<u>2022</u>	<u>2021</u>
	\$	\$
Short term employee benefits expense	3,067,320	2,826,461
Contributions to defined contribution plan	453,852	375,932
Other benefits	145,231	115,964
	<u>3,666,403</u>	<u>3,318,357</u>

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8. Property, plant and equipment

	<u>Leasehold improvements</u> \$	<u>Office/IT equipment</u> \$	<u>Building equipment</u> \$	<u>Furniture and fixtures</u> \$	<u>Stage and AV equipment</u> \$	<u>Total</u> \$
<u>Operation fund</u>						
<u>Cost</u>						
At 1 April 2020	444,147	841,488	688,880	517,755	1,076,878	3,569,148
Additions	–	–	71,718	–	415,529	487,247
At 31 March 2021	444,147	841,488	760,598	517,755	1,492,407	4,056,395
Additions	–	165,058	–	4,622	86,942	256,622
At 31 March 2022	444,147	1,006,546	760,598	522,377	1,579,349	4,313,017
<u>Accumulated depreciation</u>						
At 1 April 2020	118,086	499,170	202,397	331,676	415,016	1,566,345
Depreciation for the year	88,830	253,506	139,417	101,944	233,039	816,736
At 31 March 2021	206,916	752,676	341,814	433,620	648,055	2,383,081
Depreciation for the year	88,829	246,510	–	81,798	280,381	697,520
At 31 March 2022	295,745	999,186	341,814	515,418	928,436	3,080,601
<u>Net carrying value</u>						
At 1 April 2020	326,061	342,318	486,483	186,079	661,862	2,002,803
At 31 March 2021	237,231	88,812	418,784	84,135	844,352	1,673,314
At 31 March 2022	148,401	7,359	418,784	6,958	650,912	1,232,416

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9. Intangible asset – building use rights

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Cost</u>		
At beginning of year	13,574,160	13,574,160
Reduction	(152,662)	–
At end of year	<u>13,421,498</u>	<u>13,574,160</u>
<u>Accumulated amortisation</u>		
At beginning of year	(6,723,313)	(5,255,274)
Amortisation for the year	(1,435,325)	(1,468,039)
At end of year	<u>(8,158,638)</u>	<u>(6,723,313)</u>
	<u>5,262,860</u>	<u>6,850,847</u>

The Company recognised the portion of the cost of construction of the Premise that was borne by the Company as building use rights.

The building use rights are amortised over the estimated lease period of 108 months commencing in December 2016 (i.e., upon completion of construction of the Premise) on a straight-line basis.

The current lease term is for a period of 3 years with an option for a further term of 3 years and a provision for a final term not exceeding 3 years subject to agreement with the MCCY.

10. Investment securities

	<u>2022</u>			<u>2021</u>		
	<u>Operation fund</u>	<u>Endowment fund</u>	<u>Total</u>	<u>Operation fund</u>	<u>Endowment fund</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>Direct investments</u>						
Quoted bonds	–	16,063,930	16,063,930	–	21,558,170	21,558,170
<u>Investments placed with fund manager</u>						
Quoted equity shares	–	2,958,325	2,958,325	662,178	2,969,344	3,631,522
Quoted bonds	–	5,617,840	5,617,840	1,365,116	4,505,384	5,870,500
Derivatives (note 10A)	–	(14,189)	(14,189)	(6,474)	(24,149)	(30,623)
Cash and cash equivalents	–	1,276,205	1,276,205	193,141	361,873	555,014
	<u>–</u>	<u>9,838,181</u>	<u>9,838,180</u>	<u>2,213,961</u>	<u>7,812,452</u>	<u>10,026,413</u>
	<u>–</u>	<u>25,902,111</u>	<u>25,902,111</u>	<u>2,213,961</u>	<u>29,370,622</u>	<u>31,584,583</u>

In May 2019, the Company set up an endowment fund and transferred all its investment securities into this fund. Please see note 15 for more details.

SINGAPORE CHINESE CULTURAL CENTRE

10. Investment securities (cont'd)

The Company appointed an external fund manager to invest and manage certain of its surplus funds in accordance with the guidelines set out by the Company. There is also an investment committee which reports to the Board of Directors on the investment strategy and performance of the Company. The external fund manager is given full discretionary mandate subject to the Company's investment guidelines, and reports the investment holdings and performance to the Company on a regular basis.

As at 31 March 2022, debt instruments comprise corporate bonds with coupon rates ranging from 3.11% to 5.0% (2021: 3.11% to 4.50%) per annum and maturity dates ranging from 23 April 2022 to 14 July 2031 (2021: 22 June 2022 to 29 December 2049).

10A. Derivatives

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
Forward currency contracts	-	(14,189)	(14,189)	(6,474)	(24,149)	(30,623)

The contracts set out above were transacted by the external fund manager to hedge foreign currency exposures arising from investments in overseas assets. These included the gross amount of all notional values for contracts that had not yet been settled or cancelled. The amount of notional value outstanding was not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

2022	Notional amount \$	Termination date	Fair value loss/(gain) \$
Forward currency contract – SGD/EUR	505,857	27 May 2022	5,725
Forward currency contract – SGD/USD	1,955,738	27 May 2022	(18,392)
Forward currency contract – SGD/HKD	353,500	27 May 2022	(1,522)
			<u>(14,189)</u>
2021	Notional amount \$	Termination date	Fair value (gain)/loss \$
Forward currency contract – SGD/EUR	221,794	19 May 2021	(3,987)
Forward currency contract – SGD/USD	2,501,932	19 May 2021	29,742
Forward currency contract – SGD/HKD	523,790	20 May 2021	4,868
			<u>30,623</u>

The contracts set out above have maturity dates within one year.

The fair value of forward currency contracts is based on current value of the difference between contractual exchange rate and market rate at end of reporting year. The valuation technique uses market observable inputs.

SINGAPORE CHINESE CULTURAL CENTRE

10. Investment securities (cont'd)

10B. Disclosures relating to financial assets measured at FVTPL

The following information provides a summary of the significant sector concentrations within the investment portfolio including Levels 1, 2 and 3 securities:

<u>Nature</u>	<u>Industry</u>	<u>Location</u>	<u>Level</u>	<u>2022</u> \$	<u>2021</u> \$	<u>2022</u> %	<u>2021</u> %
<u>Direct investments</u>							
Debt instruments (quoted)	Airline	Singapore	1	2,959,500	3,063,450	11	10
Debt instruments (quoted)	Financial services	Singapore	1	3,032,850	3,059,220	12	10
Debt instruments (quoted)	Food and beverage	Singapore	1	1,016,500	1,045,670	4	3
Debt instruments (quoted)	Real estate	Singapore	1	8,039,560	13,319,710	31	42
Debt instruments (quoted)	Telecommunication	Singapore	1	1,015,520	1,070,120	4	3
				<u>16,063,930</u>	<u>21,558,170</u>	<u>62</u>	<u>68</u>
<u>Investments placed with fund manager</u>							
Equity instruments (quoted)	Biotechnology and pharmaceutical	Denmark	1	26,469	28,461	–	–
Equity instruments (quoted)	Investment fund	Europe	1	259,233	256,595	1	1
Equity instruments (quoted)	Retail	Europe	1	20,832	–	–	–
Equity instruments (quoted)	Technology services	Germany	1	39,042	22,544	–	–
Equity instruments (quoted)	Financial services	Hong Kong	1	29,968	9,445	–	–
Equity instruments (quoted)	Hardware	Hong Kong	1	10,963	11,504	–	–
Equity instruments (quoted)	Insurance	Hong Kong	1	–	40,026	–	–
Equity instruments (quoted)	Investment fund	Hong Kong	1	95,007	295,462	–	1
Equity instruments (quoted)	Media	Hong Kong	1	44,682	88,637	–	–
Equity instruments (quoted)	Retail	Hong Kong	1	43,377	21,935	–	–
Equity instruments (quoted)	Financial services	Indonesia	1	–	27,392	–	–
Equity instruments (quoted)	Health care	Japan	1	46,793	47,418	–	–
Equity instruments (quoted)	Investment funds	Japan	1	–	166,156	–	1
Equity instruments (quoted)	Semiconductor	Japan	1	46,215	52,942	–	–
Equity instruments (quoted)	Commercial Services	Netherland	1	13,642	24,041	–	–
Equity instruments (quoted)	Semiconductors	Netherland	1	93,514	46,524	–	–
Equity instruments (quoted)	Financial services	Singapore	1	78,636	40,306	4	–
Equity instruments (quoted)	Real estate	Singapore	1	–	22,785	–	–

SINGAPORE CHINESE CULTURAL CENTRE

10. Investment securities (cont'd)

10B. Disclosures relating to financial assets measured at FVTPL (cont'd)

<u>Nature</u>	<u>Industry</u>	<u>Location</u>	<u>Level</u>	<u>2022</u> \$	<u>2021</u> \$	<u>2022</u> %	<u>2021</u> %
<u>Investments placed with fund manager (cont'd)</u>							
Equity instruments (quoted)	Insurance	Switzerland	1	–	52,989	–	–
Equity instruments (quoted)	Retail	Switzerland	1	34,863	22,284	–	–
Equity instruments (quoted)	Finance services	United Kingdom	1	–	28,336	–	–
Equity instruments (quoted)	Investment fund	United Kingdom	1	151,323	156,229	1	1
Equity instruments (quoted)	Oil and gas	United Kingdom	1	29,506	76,802	–	–
Equity instruments (quoted)	Food and beverage	United Kingdom	1	24,165	–	–	–
Equity instruments (quoted)	Biotechnology and pharmaceutical	United States of America (“USA”)	1	47,380	47,113	–	–
Equity instruments (quoted)	Building materials	USA	1	34,949	24,233	–	–
Equity instruments (quoted)	Commercial services	USA	1	–	115,035	–	–
Equity instruments (quoted)	Consumer products	USA	1	–	46,898	–	–
Equity instruments (quoted)	Financial services	USA	1	93,468	143,239	–	1
Equity instruments (quoted)	Food and beverage	USA	1	47,220	43,762	–	–
Equity instruments (quoted)	Hardware	USA	1	158,226	137,249	1	1
Equity instruments (quoted)	Health care	USA	1	113,627	166,903	–	1
Equity instruments (quoted)	Investment fund	USA	1	508,185	551,508	2	2
Equity instruments (quoted)	Media	USA	1	215,610	279,046	1	1
Equity instruments (quoted)	Oil and gas	USA	1	117,801	55,286	–	–
Equity instruments (quoted)	Power supply	USA	1	–	44,918	–	–
Equity instruments (quoted)	Rental	USA	1	28,832	–	–	–
Equity instruments (quoted)	Semiconductor	USA	1	230,717	149,748	1	1
Equity instruments (quoted)	Software	USA	1	160,494	222,955	1	1
Equity instruments (quoted)	Technology services	USA	1	113,587	–	–	–
Equity instruments (quoted)	Transportation and logistics	USA	1	–	64,816	–	–

SINGAPORE CHINESE CULTURAL CENTRE

10. Investment securities (cont'd)

10B. Disclosures relating to financial assets measured at FVTPL (cont'd)

<u>Nature</u>	<u>Industry</u>	<u>Location</u>	<u>Level</u>	<u>2022</u> \$	<u>2021</u> \$	<u>2022</u> %	<u>2021</u> %
<u>Investments placed with fund manager (cont'd)</u>							
Debt instruments (quoted)	Airline	Singapore	1	534,889	308,432	2	1
	Engineering and construction services						
Debt instruments (quoted)	services	Singapore	1	101,735	373,835	–	1
Debt instruments (quoted)	Financial services	Singapore	1	1,340,591	1,823,888	5	6
Debt instruments (quoted)	Food and beverage	Singapore	1	253,751	363,342	1	1
Debt instruments (quoted)	Gaming, lodging and restaurants	Singapore	1	435,658	439,614	2	1
Debt instruments (quoted)	Health care	Singapore	1	136,614	136,126	1	–
Debt instruments (quoted)	Insurance	Singapore	1	405,012	222,601	2	1
Debt instruments (quoted)	Investment fund	Singapore	1	290,790	352,822	1	1
Debt instruments (quoted)	Media	Singapore	1	5,018	44,604	–	–
Debt instruments (quoted)	Real estate	Singapore	1	1,464,855	1,455,733	6	5
Debt instruments (quoted)	Shipbuilding	Singapore	1	74,083	94,185	–	–
Debt instruments (quoted)	Telecom	Singapore	1	574,843	207,169	2	1
Debt instruments (quoted)	Transportation and logistics	Singapore	1	–	48,149	–	–
Cash and cash equivalents			1	1,276,205	555,014	5	2
Derivatives			2	(14,189)	(30,623)	–	–
				<u>9,838,181</u>	<u>10,026,413</u>	<u>38</u>	<u>32</u>
				<u>25,902,111</u>	<u>31,584,583</u>	<u>100</u>	<u>100</u>

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10. Investment securities (cont'd)

10C. Sensitivity analysis for price risk of equity and debts securities at FVTPL

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The effect of sensitivity analysis is as follows:

	<u>2022</u> \$	<u>2021</u> \$
A hypothetical 10% increase in market index of quoted equity and debts securities at FVTPL would have an effect on fair value of:	<u>2,590,211</u>	<u>3,158,458</u>

For similar price decreases in fair value of the above financial assets, there would be comparable impacts in the opposite direction.

This figure does not reflect currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

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11. Trade and other receivables

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
Trade receivables						
Outside parties	31,644	-	31,644	27,928	-	27,928
Less: Allowance for impairment	(3,395)	-	(3,395)	(2,283)	-	(2,283)
Related party (note 3)	36,290	-	36,290	17,738	-	17,738
	<u>64,539</u>	<u>-</u>	<u>64,539</u>	<u>43,383</u>	<u>-</u>	<u>43,383</u>
Other receivables						
Interest receivable	17,565	106,785	124,350	14,766	160,941	175,707
Deposits	317,505	-	317,505	831,414	-	831,414
Other receivables	191,401	-	191,401	10,875	-	10,875
	<u>526,471</u>	<u>106,785</u>	<u>633,256</u>	<u>857,055</u>	<u>160,941</u>	<u>1,017,996</u>
	<u>591,010</u>	<u>106,785</u>	<u>697,795</u>	<u>900,438</u>	<u>160,941</u>	<u>1,061,379</u>

Movements in allowance for impairment are as follows:

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
At beginning of year	(2,283)	-	(2,283)	(6,226)	-	(6,226)
(Charge)/Reversal to profit or loss	(1,112)	-	(1,112)	3,943	-	3,943
At end of year	<u>(3,395)</u>	<u>-</u>	<u>(3,395)</u>	<u>(2,283)</u>	<u>-</u>	<u>(2,283)</u>

The trade receivables are subject to the expected credit loss ("ECL") model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 24 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The loss allowance for trade receivables was determined as follows:

	Gross amount		ECL rate		Loss allowance	
	2022 \$	2021 \$	2022 %	2021 %	2022 \$	2021 \$
Up to 30 days	63,978	45,060	5	5	(3,199)	(2,253)
31 days to 60 days	2,997	6	5	5	(150)	-
61 days to 90 days	933	-	5	-	(46)	-
More than 90 days	27	600	-	5	-	(30)
	<u>67,935</u>	<u>45,666</u>	<u>15</u>	<u>15</u>	<u>(3,395)</u>	<u>(2,283)</u>

SINGAPORE CHINESE CULTURAL CENTRE

11. Trade and other receivables (cont'd)

The amounts are written-off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

12. Other assets

	<u>2022</u>	<u>2021</u>
	\$	\$
Prepayments	<u>338,220</u>	<u>87,541</u>

13. Cash and cash equivalents

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
Fixed deposits	11,376,763	-	11,376,763	9,225,442	-	9,225,442
Cash at bank	<u>7,766,431</u>	<u>5,000,000</u>	<u>12,766,431</u>	<u>11,305,099</u>	-	<u>11,305,099</u>
	<u>19,143,194</u>	<u>5,000,000</u>	<u>24,143,194</u>	<u>20,530,541</u>	-	<u>20,530,541</u>
Not designated	18,743,174	5,000,000	23,743,174	19,006,396	-	19,006,396
Designated	<u>400,020</u>	-	<u>400,020</u>	<u>1,524,145</u>	-	<u>1,524,145</u>
	<u>19,143,194</u>	<u>5,000,000</u>	<u>24,143,194</u>	<u>20,530,541</u>	-	<u>20,530,541</u>

The Company placed fixed deposits of \$11,376,763 (2021: \$9,225,442) with maturity dates in April 2022 and September 2022. The rate of interest for the cash on interest earning balances ranged from 0.04% to 0.06% (2021: from 0.04% to 1.15%) per annum.

14. Operation fund

The operation fund is a general fund of the Company to be applied for the general purpose of the Company in support of its objectives.

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15. Endowment fund

In May 2019, the Company set up an endowment fund and transferred all its investment securities into this fund. The purpose of the endowment fund is to provide a stable stream of income for the Company's operations by transferring income from the endowment fund to the Company's operation fund. The capital in the endowment fund cannot be applied for purposes other than investments, except for rare exigencies such as structural defects or destruction of a material part of the Premise. Utilisation of the capital from the permanent endowment fund for rare exigencies must be approved by a members' special resolution with 75% of the Board members' approval.

16. Deferred income

	<u>2022</u>	<u>2021</u>
	\$	\$
Operating grant (note 16A)	4,393,028	5,286,574
Cultural matching fund (note 16B)	9,323,510	12,767,671
Deferred donations (note 16C)	-	43,141
Job support scheme (note 16D)	703,156	604,279
Bicentennial community fund matching grant (note 16E)	295,285	300,000
TOTE Board (note 16F)	310,008	-
	<u>15,024,987</u>	<u>19,001,665</u>

Presented in statement of financial position as:

Non-current	6,618,017	10,062,177
Current	8,406,970	8,939,488
	<u>15,024,987</u>	<u>19,001,665</u>

16A. Operating grant

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	5,286,574	5,286,574
Grants received during the year	10,647,297	10,327,000
Grants recognised during the year (note 4)	<u>(11,540,843)</u>	<u>(10,327,000)</u>
At end of year	<u>4,393,028</u>	<u>5,286,574</u>

The funding is provided by MCCY to meet operational expenses.

16B. Cultural matching fund

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	12,767,671	14,816,867
Grants received during the year	-	600,000
Grants recognised during the year (note 4)	<u>(3,444,161)</u>	<u>(2,649,196)</u>
At end of year	<u>9,323,510</u>	<u>12,767,671</u>

SINGAPORE CHINESE CULTURAL CENTRE

16. Deferred income (cont'd)

16B. Cultural matching fund (cont'd)

The cultural matching fund was disbursed by the National Arts Council as the Company had satisfied the requirement in meeting the donations collected. Grants related to depreciable assets are recognised as income over the periods and in the proportions in which the depreciation or amortisation expenses on those assets are recognised.

16C. Deferred donations

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	43,141	107,853
Donations received during the year	1,705,055	900,980
Donations recognised during the year (note 5)	<u>(1,748,196)</u>	<u>(965,692)</u>
At end of year	<u>–</u>	<u>43,141</u>

Donations are given for the purchase of capital assets. Income is recognised on donations given for capital assets over the periods and in the proportions in which depreciation expenses on those assets are recognised.

16D. Job support scheme

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	604,279	–
Grants received during the year	<u>98,877</u>	<u>604,279</u>
At end of year	<u>703,156</u>	<u>604,279</u>

The Company is required to seek MCCY's approval to tap on this grant, indicating the purposes for which they will be used.

16E. Bicentennial community fund

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	300,000	–
Grants received during the year	–	300,000
Grants utilisation during the year	<u>(4,715)</u>	<u>–</u>
At end of year	<u>295,285</u>	<u>300,000</u>

This fund will be used to support the Company's asset replacement and office renovation needs.

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16. Deferred income (cont'd)

16F. TOTE Board grant

	<u>2022</u>	<u>2021</u>
	\$	\$
At beginning of year	-	-
Grants received during the year	310,008	-
At end of year	<u>310,008</u>	<u>-</u>

Tote Board grant is received to promote Chinese Singaporean culture.

17. Trade and other payables

	<u>2022</u>			<u>2021</u>		
	<u>Operation fund</u>	<u>Endowment fund</u>	<u>Total</u>	<u>Operation fund</u>	<u>Endowment fund</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>Trade payables</u>						
Outside parties and accrued liabilities	2,343,185	12,243	2,355,428	2,415,067	9,500	2,424,567
<u>Other payables</u>						
Directors (note 3C)	2,946	-	2,946	2,200	-	2,200
Construction payables	-	-	-	1,524,145	-	1,524,145
Deposits received	183,037	-	183,037	205,128	-	205,128
	<u>185,983</u>	<u>-</u>	<u>185,983</u>	<u>1,731,473</u>	<u>-</u>	<u>1,731,473</u>
	<u>2,529,168</u>	<u>12,243</u>	<u>2,541,411</u>	<u>4,146,540</u>	<u>9,500</u>	<u>4,156,040</u>

18. Capital management

The Company's capital management objective is to maintain a capital base to ensure it has adequate financial resources to continue as a going concern. The Company reviews its strategic focus and makes adjustments to its activities with consideration to the changes in economic conditions.

There was no change in the Company's approach to capital management during the reporting years ended 31 March 2022 and 31 March 2021.

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19. Operating lease income commitments – as lessor

At end of reporting year, total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	<u>2022</u> \$	<u>2021</u> \$
Not later than one year	396,775	298,953
Later than one year	<u>451,938</u>	<u>-</u>
Rental income for the year	<u>366,796</u>	<u>278,966</u>

Operating lease income commitments is from the leasing of office space. The lease rental income terms are negotiated for an average term of three years.

20. Operating lease payment commitments – as lessee

At end of reporting year, total of future minimum lease payment commitments under non-cancellable operating leases is as follows:

	<u>2022</u> \$	<u>2021</u> \$
Not later than one year	4,480,903	4,480,903
Later than one year	<u>2,987,269</u>	<u>2,987,269</u>
Rental expenses for the year	<u>4,480,903</u>	<u>4,480,903</u>

Operating lease payments are for rentals payable for temporary occupation license for the use of state land. The lease rental payment terms are negotiated for an average term of three years.

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21. Financial instruments: information on financial risks

21A. Categories of financial assets and liabilities

The following table categories the carrying amount of financial assets and liabilities recorded at end of reporting year:

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
Financial assets at amortised cost	19,734,204	5,106,785	24,840,989	21,430,979	160,941	21,591,920
Financial assets at FVTPL	-	25,902,111	25,902,111	2,213,961	29,370,622	31,584,583
	<u>19,734,204</u>	<u>31,008,896</u>	<u>50,743,100</u>	<u>23,644,940</u>	<u>29,531,563</u>	<u>53,176,503</u>
Financial liabilities at amortised cost	<u>2,529,168</u>	<u>12,243</u>	<u>2,541,411</u>	<u>4,146,540</u>	<u>9,500</u>	<u>4,156,040</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

21B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Company's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- Minimise interest rate, currency, credit and market risk for all kinds of transactions;
- All financial risk management activities are carried out and monitored by senior management staff; and
- All financial risk management activities are carried out following acceptable market practices.

The Company is not exposed to significant interest rate and currency risks.

21C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

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21. Financial instruments: information on financial risks (cont'd)

21D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consists principally of cash balances with banks, receivables, investment securities and certain other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

Note 13 discloses the maturity of the cash and cash equivalents balances.

21E. Liquidity risk

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 30 days. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

21F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2022			2021		
	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
<u>Financial assets with interest</u>						
Floating rates	-	21,681,770	21,681,770	1,365,116	26,063,554	27,428,670
Fixed rates	11,376,763	-	11,376,763	9,225,422	-	9,225,422
	<u>11,376,763</u>	<u>21,681,770</u>	<u>33,058,533</u>	<u>10,590,538</u>	<u>26,063,554</u>	<u>36,654,092</u>

The floating rate instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis

	<u>2022</u> \$	<u>2021</u> \$
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase in pre-tax profit for the year by:	<u>216,817</u>	<u>274,287</u>

SINGAPORE CHINESE CULTURAL CENTRE

22. Changes and adoption of financial reporting standards

For current reporting year, new or revised FRS were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 39;107 and 109	Interest Rate Benchmark Reform – Amendments to The Conceptual Framework for Financial Reporting
FRS 116	Covid-19 Related Rent Concessions – Amendment to (effective from 30 June 2021 to 30 June 2022)

23. New or amended standards in issue but not yet effective

For future reporting years, certain new or revised FRS were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
FRS 8	Definition of Accounting Estimates – amendments	1 January 2023