

Financial Statements

**SINGAPORE CHINESE CULTURAL CENTRE**

31 March 2023

# COMPANY INFORMATION

**Company registration number:** 201309577Z

**Registered office:** 1 Straits Boulevard, Singapore 018906

**Directors:** Ng Siew Quan (Chairman)  
Tan Choo Hoon @ Tan Cheng Gay (Honorary Treasurer)  
Tan Tze Ee, Alvin  
Chan Choong Seng, Daniel  
Goh Shiao Sing, Shaun  
Leong Sin Yuen, William  
Pang Lim  
Tan Whei Mien, Joy  
Tham Loke Kheng  
Heng Boey Hong  
Lim Hock Chee  
Zhou Zhaocheng  
Goh Sin Teck  
Low Eng Teong  
Toh Yong Leng, Jimmy

**Secretary:** Yap Wai Ming

**Bankers:** OCBC Bank Limited  
DBS Singapore Limited  
BNP Paribas, Singapore Branch  
The Bank of East Asia, Limited, Singapore Branch

**Independent auditor:** Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants  
1 Raffles Place  
#04-61/62 One Raffles Place Tower 2  
Singapore 048616

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# Directors' statement

## for the financial year ended 31 March 2023

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 2023.

### 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 2023 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:

Ng Siew Quan (Chairman)  
Tan Choo Hoon @ Tan Cheng Gay (Honorary Treasurer)  
Tan Tze Ee, Alvin  
Chan Choong Seng, Daniel  
Goh Shiao Sing, Shaun  
Leong Sin Yuen, William  
Pang Lim  
Tan Whei Mien, Joy  
Tham Loke Kheng  
Heng Boey Hong  
Lim Hock Chee  
Zhou Zhaocheng  
Goh Sin Teck  
Low Eng Teong  
Toh Yong Leng, Jimmy

### 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.

**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**

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

  
.....  
NG SIEW QUAN (Chairman)

  
.....  
TAN CHOO HOON @ TAN CHENG GAY (Honorary Treasurer)

Dated: **20 JUL 2023**

# 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 financial statements of Singapore Chinese Cultural Centre (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows of the Company for the 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 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 2023 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 ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other matter*

The financial statements of the Company for the financial year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on the financial statements on 15 July 2022.

### *Other information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the Directors' statement, 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.

# Independent auditor's report to the members of Singapore Chinese Cultural Centre (Cont'd)

## *Other information (Cont'd)*

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of Management and 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 skepticism 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 (Cont'd)

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

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

## **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 financial year:

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



Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 20 July 2023



# Statement of financial position

as at 31 March 2023

	Note	2023		2022	
		Operation fund \$	Endowment fund \$	Operation fund \$	Endowment fund \$
					Total \$
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	3	1,603,030	-	1,232,416	-
Intangible assets	4	3,827,534	-	5,262,860	-
		5,430,564	-	6,495,276	-
<b><u>Current assets</u></b>					
Trade and other receivables	5	560,612	125,277	591,010	106,785
Prepayments	6	25,023	-	338,220	-
Investment securities	7	1,980,900	23,119,163	-	25,902,111
Cash and fixed deposits	8	16,875,561	8,058,050	19,143,194	5,000,000
		19,442,096	31,302,490	20,072,424	31,008,896
		24,872,660	31,302,490	26,567,700	31,008,896
<b>Total assets</b>					57,576,596
<b>FUNDS AND LIABILITIES</b>					
<b><u>Funds</u></b>					
Accumulated operation fund	9	11,396,457	-	9,013,545	-
Accumulated endowment fund	10	-	31,294,602	-	30,996,653
		11,396,457	31,294,602	9,013,545	30,996,653
<b><u>Non-current liabilities</u></b>					40,010,198
Deferred income	11	3,663,487	-	6,618,016	-
<b><u>Current liabilities</u></b>					6,618,016
Deferred income	11	6,658,598	-	8,406,971	-
Trade and other payables	12	3,154,118	7,888	2,529,168	12,243
<b>Total current liabilities</b>		9,812,716	7,888	10,936,139	12,243
<b>Total liabilities</b>		13,476,203	7,888	17,554,155	12,243
<b>Total funds and liabilities</b>		24,872,660	31,302,490	26,567,700	31,008,896
			56,175,150		57,576,596

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## for the financial year ended 31 March 2023

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Statement of changes in funds

## for the financial year ended 31 March 2023

	Operation fund \$	Endowment fund \$	Total \$
<b>At 1 April 2022</b>	<b>9,013,545</b>	<b>30,996,653</b>	<b>40,010,198</b>
Total comprehensive income/(loss) for the year	<b>3,382,912</b>	<b>(702,051)</b>	<b>2,680,861</b>
Transfer from operation fund to endowment fund	<b>(1,000,000)</b>	<b>1,000,000</b>	<b>-</b>
<b>At 31 March 2023</b>	<b>11,396,457</b>	<b>31,294,602</b>	<b>42,691,059</b>
<b>At 1 April 2021</b>	<b>9,108,437</b>	<b>29,522,063</b>	<b>38,630,500</b>
Total comprehensive income/(loss) for the year	<b>2,005,108</b>	<b>(625,410)</b>	<b>1,379,698</b>
Transfer from operation fund to endowment fund	<b>(2,100,000)</b>	<b>2,100,000</b>	<b>-</b>
<b>At 31 March 2022</b>	<b>9,013,545</b>	<b>30,996,653</b>	<b>40,010,198</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Statement of cash flows

for the financial year ended 31 March 2023

	Note	2023		2022	
		Operation fund \$	Endowment fund \$	Operation fund \$ (Restated)	Endowment fund \$ (Restated)
<b>Cash flows from operating activities</b>					
Surplus before transfers		2,744,352	(63,491)	1,319,269	60,429
Adjustment for:					
Fair value loss on investment securities		-	903,894	-	883,057
Fixed assets written off	3	449	-	-	-
Depreciation of property, plant and equipment	3	603,799	-	697,520	-
Amortisation of intangible assets	4	1,435,326	-	1,435,325	-
Management fee		-	46,383	-	55,219
Deferred income	11	(16,878,647)	-	(16,737,915)	-
Interest and dividend income		(253,076)	(886,786)	(57,450)	(1,056,155)
Operating cash flows before changes in working capital		(12,347,797)	-	(13,343,251)	-
Trade and other receivables		343,595	-	40,088	-
Trade and other payables		624,950	-	(1,464,710)	-
Deferred income received	11	12,175,745	-	12,761,237	-
Transfers between operation fund and endowment fund		(361,440)	361,440	(1,414,161)	1,414,161
<b>Net cash generated from/(used in) operating activities</b>		<b>435,053</b>	<b>361,440</b>	<b>(3,420,797)</b>	<b>(2,006,636)</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

## Statement of cash flows (Cont'd)

		2023			2022		
	Note	Operation fund \$	Endowment fund \$	Total \$	Operation fund \$	Endowment fund \$	Total \$
<b>Cash flows from investing activities</b>							
Purchase of property, plant and equipment	3	(974,862)	-	(974,862)	(256,622)	-	(256,622)
Investment with fund manager		(1,980,900)	(3,118,072)	(5,098,972)	-	(2,231,460)	(2,231,460)
Proceeds from disposal of investment securities		-	5,000,000	5,000,000	2,231,460	5,000,000	7,231,460
Placement of fixed deposits		(500,000)	(4,000,000)	(4,500,000)	(1,600,000)	-	(1,600,000)
Interest and dividend income received		125,764	814,682	940,446	12,514	817,299	829,813
<b>Net cash (used in)/generated from investing activities</b>		<b>(3,329,998)</b>	<b>(1,303,390)</b>	<b>(4,633,388)</b>	<b>387,352</b>	<b>3,585,839</b>	<b>3,973,191</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,894,945)</b>	<b>(941,950)</b>	<b>(3,836,895)</b>	<b>(3,033,445)</b>	<b>5,000,000</b>	<b>1,966,555</b>
Cash and cash equivalent at beginning of year		<b>10,737,586</b>	<b>5,000,000</b>	<b>15,737,586</b>	<b>13,771,031</b>	<b>-</b>	<b>13,771,031</b>
<b>Cash and cash equivalents at end of year</b>		<b>7,842,641</b>	<b>4,058,050</b>	<b>11,900,691</b>	<b>10,737,586</b>	<b>5,000,000</b>	<b>15,737,586</b>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Notes to the financial statements

## for the financial year ended 31 March 2023

### 1 General information

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, subsequently renewed from 1 February 2023 to 31 January 2026. 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 registered office and principal place of business is located at 1 Straits Boulevard, #11-01 Singapore Chinese Cultural Centre (the “Premise”), Singapore 018906.

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

The financial statements of the Singapore Chinese Cultural Centre (the “Company”) for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by directors.

### 2(a) Basis of preparation

The financial statements are prepared in accordance with provisions of the Companies Act 1967 (the “Act”), the Charities Act 1994 and other relevant regulations (the “Charities Act and Regulations”) and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

### 2(b) Adoption of new and revised FRS effective for the current financial year

On 1 April 2022, the Company has adopted all the new and revised FRSs, interpretations (“INT FRSs”) and amendments to FRSs, effective for the current financial year that are relevant to them. The adoption of these new and revised FRSs pronouncements does not result in significant changes to the Company’s accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

**2(c) New and revised FRS in issue but not yet effective**

At the date of authorisation of these financial statements, the following FRSs were issued but not yet effective which are relevant to the Company and has not early adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 117	<i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 104	<i>Extension of the Temporary Exemption from Applying FRS 109</i>	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8	<i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendment to FRS 117	<i>Initial Application of FRS 117 and FRS 109 Comparative Information</i>	1 January 2023
Amendments to FRS 1	<i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 116	<i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 1	<i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to FRS 110 and FRS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

The Company intends to adopt the above FRSs when they become effective.

The initial applications of the above-mentioned FRSs are not expected to have significant impacts on the financial statements of the Company.

**2(d) Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with FRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant judgement and critical accounting estimates and assumptions used are described below.



**2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)*****Significant judgements used in applying accounting policies***

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**(i) Accounting for leases (Note 19)**

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 2025, i.e., the end of the current lease term.

The 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.

The Company has extended the lease for a further three years, commencing from 1 December 2022 to 30 November 2025.

***Key sources of estimation uncertainty***

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

**(a) Useful life of intangible asset ("Building use rights")**

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. 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 \$3,827,534 (2022: \$5,262,860).



**2(e) Significant accounting policies****Property, plant and equipment**

Property, 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 fittings	- 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.

**Intangible assets****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.

**2(e) Significant accounting policies (Cont'd)**

**Leases**

The Company as 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.

The Company as lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

The Company recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as "Income from leasing facilities".

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

**2(e) Significant accounting policies (Cont'd)**

**Financial assets**

i) Classification

The Company classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income ("FVOCI"); and
- fair value through profit or loss ("FVPL").

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

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

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

*Investments in debt instruments*

Investments in debt instruments mainly comprise receivables, cash and cash equivalents. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

- *Amortised cost:* Investments in debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest method.
- *FVOCI:* Investments in debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- *FVPL:* Investments in debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

**2(e) Significant accounting policies (Cont'd)**

**Financial assets (Cont'd)**

(ii) Measurement (Cont'd)

*Investments in equity instruments (Cont'd)*

The Company subsequently measures all its investments in equity instruments, including listed and unlisted equity securities, at their fair values. Such equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Fair value gain or loss on investment", except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as dividend income within "Interest and dividend income".

(iii) Receivables

Receivables are recognised initially at the amount of consideration that is unconditional 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 a third party, if the receivables do not contain a significant financing component. Other receivables generally arise from transactions outside the normal operating activities of the Company.

(iv) Recognition and de-recognition

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.

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**2(e) Significant accounting policies (Cont'd)**

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses ("ECLs") on receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for receivables from residents. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date

**i) Significant increase in credit risk**

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

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.



**2(e) Significant accounting policies (Cont'd)**

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

i) Significant increase in credit risk (Cont'd)

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition.

The Company regularly monitors whether there has been a significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than one year past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

**2(e) Significant accounting policies (Cont'd)**

**Financial liabilities**

Financial liabilities are recognised when, and only when, the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability 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 the respective carrying amounts is recognised in profit or loss.

**Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of financial activities for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of financial activities.

**Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**2(e) Significant accounting policies (Cont'd)**

**Employee benefit**

i) 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 on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for unutilised annual leave as a result of services rendered by employees up to the reporting date.

**Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Chief Executive Officer is considered as key management personnel of the Company. The other directors did not receive any remuneration.

**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 an expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

i) Government grants

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.

(ii) 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.

(iii) 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.



**2(e) Significant accounting policies (Cont'd)**

**Revenue recognition (Cont'd)**

(iv) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(v) 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.

(vi) Donations

Donations are recognised as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donation.

**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.

**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 from the acquisition date. 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.

**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.

**2(e) Significant accounting policies (Cont'd)**

**Current and non-current classification**

The Company presents assets and liabilities in the statements of financial position based on current or non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

**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. Transfer between operation fund and endowment fund is allowed as disclosed in Note 10.

**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.

**2(e) Significant accounting policies (Cont'd)**

**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.

**Income tax**

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

**2(e) Significant accounting policies (Cont'd)**

**Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## 3 Property, plant and equipment

<u>Cost</u>	Leasehold improvements \$	Office/IT equipment \$	Building equipment \$	Furniture and fittings \$	Stage and AV Equipment \$	Total \$
At 1 April 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
Additions	96,193	287,393	347,948	73,615	169,713	974,862
Reclassification	-	(136,950)	136,950	-	-	-
Disposal	-	-	-	(25,060)	-	(25,060)
At 31 March 2023	540,340	1,156,990	1,245,496	570,932	1,749,062	5,262,819
<u>Accumulated depreciation</u>						
At 1 April 2021	206,916	752,676	341,814	433,620	648,055	2,383,081
Depreciation for the year	88,830	246,510	-	81,798	280,382	697,520
At 31 March 2022	295,746	999,186	341,814	515,418	928,437	3,080,601
Depreciation for the year	106,465	49,888	177,390	10,608	259,448	603,799
Reclassification	-	(167,128)	167,128	-	-	-
Disposal	-	-	-	(24,611)	-	(24,611)
At 31 March 2023	402,211	881,946	686,332	501,415	1,187,885	3,659,789
<u>Carrying amount</u>						
At 31 March 2023	138,129	275,044	559,164	69,517	561,177	1,603,030
At 31 March 2022	148,401	37,539	388,605	6,958	650,912	1,232,416

**4 Intangible assets – building use rights**

	Building use rights \$
<b>Cost</b>	
At 1 April 2021	13,574,160
Reduction	(152,662)
<b>At 31 March 2022/2023</b>	<b>13,421,498</b>
<b>Accumulated amortisation</b>	
At 1 April 2021	6,723,313
Amortisation	1,435,325
At 31 March 2022	<b>8,158,638</b>
Amortisation	<b>1,435,326</b>
<b>At 31 March 2023</b>	<b>9,593,964</b>
<b>Carrying amount</b>	
<b>At 31 March 2023</b>	<b>3,827,534</b>
At 31 March 2022	5,262,860

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.

**5 Trade and other receivables**

	Operation Fund \$	2023 Endowment fund \$	Total \$	Operation Fund \$	2022 Endowment fund \$	Total \$
Trade receivables	71,789	-	71,789	31,644	-	31,644
Less: Allowance for impairment	(4,877)	-	(4,877)	(3,395)	-	(3,395)
Related party	40,766	-	40,766	36,290	-	36,290
	<b>107,678</b>	<b>-</b>	<b>107,678</b>	<b>64,539</b>	<b>-</b>	<b>64,539</b>
<b>Other receivables</b>						
Other receivables	62,356	-	62,356	17,565	106,785	124,350
Interest receivables	120,344	125,277	245,621	317,505	-	317,505
Deposits	87,155	-	87,155	-	-	-
GST receivables	183,079	-	183,079	191,401	-	191,401
	<b>452,934</b>	<b>125,277</b>	<b>578,211</b>	<b>526,471</b>	<b>106,785</b>	<b>633,256</b>
<b>Total</b>	<b>560,612</b>	<b>125,277</b>	<b>685,889</b>	<b>591,010</b>	<b>106,785</b>	<b>697,795</b>

Trade receivables are non-interest bearing and are generally on 30 days (2022: 30 days) credit term.



**5 Trade and other receivables (Cont'd)**

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.

Movements in allowance for impairment on trade receivables are as follows:

	Operation Fund \$	2023 Endowment fund \$	Total \$	Operation Fund \$	2022 Endowment fund \$	Total \$
At 1 April	(3,395)	-	(3,395)	(2,283)	-	(2,283)
Impairment loss	(1,482)	-	(1,482)	(1,112)	-	(1,112)
At 31 March	(4,877)	-	(4,877)	(3,395)	-	(3,395)

The Company credit risk exposure in relation to debtors are set out as follows:

	Up to 30 days \$	31 days to 60 days \$	61 days to 90 days \$	More than 90 days \$	Total \$
<b>2023</b>					
Expected loss rate	5%	5%	5%	5%	5%
Trade receivables	83,405	1,158	8,850	4,120	97,533
Loss allowance	(4,170)	(58)	(443)	(206)	(4,877)
<b>2022</b>					
Expected loss rate	5%	5%	5%	-	5%
Trade receivables	63,978	2,997	933	27	67,935
Loss allowance	(3,199)	(150)	(46)	-	(3,395)

The Company recorded an impairment loss of \$1,482 (2022: \$1,112) in the profit or loss for the year ended 31 March 2023.

**6 Prepayments**

	2023 \$	2022 \$
Advance payment	25,023	338,220

**7 Investment securities**

	2023			2022		
	Operation Fund \$	Endowment fund \$	Total \$	Operation Fund \$	Endowment fund \$	Total \$
<u>Direct investments</u>						
Debt instruments at FVTPL:						
-Quoted bonds	1,980,900	13,601,580	15,582,480	-	16,063,930	16,063,930
Investment placed <u>with fund manager</u>						
Equity instruments at FVTPL:						
-Quoted equity shares	-	2,769,837	2,769,837	-	2,958,325	2,958,325
Debt instruments at FVTPL:						
-Quoted bonds	-	6,224,877	6,224,877	-	5,617,840	5,617,840
	-	8,994,714	8,994,714	-	8,576,165	8,576,165
Derivatives	-	23,518	23,518	-	(14,189)	(14,189)
Cash and cash equivalents	-	499,351	499,351	-	1,276,205	1,276,205
	1,980,900	9,517,583	9,517,583	-	9,838,181	9,838,181
	1,980,900	23,119,163	25,100,063	-	25,902,111	25,902,111

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.

The Company's investment will continue classify as fair value through profit or loss (FVTPL) in accordance with FRS 109 based on the Company's business model. The Company's investments have been mandatorily measured at FVTPL. The fair value of financial assets traded in active markets (such as publicly traded debt securities and equity shares) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

Investment in quoted equity shares offer the Company the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

As at 31 March 2023, debt instruments comprise corporate bonds with coupon rates ranging from 3.11% to 5.00% (2022: 3.11% to 5.00%) per annum and maturity dates ranging from 15 April 2023 to 14 July 2031 (2022: 23 April 2022 to 14 July 2031).

	2023			2022		
	Operation Fund \$	Endowment fund \$	Total \$	Operation Fund \$	Endowment fund \$	Total \$
Forward currency contracts	-	23,518	23,518	-	(14,189)	(14,189)

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.



**7 Investment securities (Cont'd)**

	Notional amount \$	Termination date	Fair value loss/(gain) \$
<b>2023</b>			
Forward currency contract			
- SGD/EUR	333,260	9 June 2023	(5,253)
- SGD/USD	1,647,366	9 June 2023	24,326
- SGD/HKD	289,900	9 June 2023	4,445
	<u>2,270,526</u>		<u>23,518</u>
<b>2022</b>			
Forward currency contract			
- SGD/EUR	505,857	27 May 2022	5,725
- SGD/USD	1,955,738	27 May 2022	(18,392)
- SGD/HKD	353,500	27 May 2022	(1,522)
	<u>2,815,095</u>		<u>(14,189)</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. This is classified under Level 2 of the fair value hierarchy.

**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. A hypothetical 10% increase in market index of quoted equity and debts securities at FVTPL would have an effect on fair value of \$2,510,006 (2022: \$2,590,211).

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).

## 8 Cash and fixed deposits

	2023			2022		
	Operation Fund	Endowment fund	Total	Operation Fund	Endowment fund	Total
	\$	\$	\$	\$	\$	\$
Cash at bank	4,787,600	58,050	4,845,650	7,766,431	5,000,000	12,766,431
Fixed deposits	12,087,961	8,000,000	20,087,961	11,376,763	-	11,376,763
	<b>16,875,561</b>	<b>8,058,050</b>	<b>24,933,611</b>	<b>19,143,194</b>	<b>5,000,000</b>	<b>24,143,194</b>

The Company placed fixed deposits of \$20,087,961 (2022: \$11,376,763) with maturity dates in ranging from April 2023 to September 2023. The rate of interest for the cash on interest earning balances ranged from 0.60% to 3.00% (2022: from 0.04% to 0.06%) per annum.

	2023			2022		
	Operation Fund	Endowment fund	Total	Operation Fund	Endowment fund	Total
	\$	\$	\$	\$	\$	\$
Not designated	16,536,739	8,058,050	24,594,789	18,743,174	5,000,000	23,743,174
Designated	338,822	-	338,822	400,020	-	400,020
	<b>16,875,561</b>	<b>8,058,050</b>	<b>24,933,611</b>	<b>19,143,194</b>	<b>5,000,000</b>	<b>24,143,194</b>

For the purposes of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2023			2022		
	Operation Fund	Endowment fund	Total	Operation Fund	Endowment fund	Total
	\$	\$	\$	\$	\$	\$
Cash at bank	4,787,600	58,050	4,845,650	7,766,431	5,000,000	12,766,431
Short-term deposits	3,055,041	4,000,000	7,055,041	2,971,155	-	2,971,155
	<b>7,842,641</b>	<b>4,058,050</b>	<b>11,900,691</b>	<b>10,737,586</b>	<b>5,000,000</b>	<b>15,737,586</b>

## 9 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.

## 10 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.

**11 Deferred income**

	Note	2023 \$	2022 \$
Operating grant	A	2,548,469	4,393,028
Cultural Matching fund	B	6,251,526	9,323,510
Job support scheme	C	811,300	703,156
Bicentennial community fund matching grant	D	270,782	295,285
TOTE Board grant	E	440,008	310,008
Deferred donations	F	-	-
		<b>10,322,085</b>	<b>15,024,987</b>

**Presented as:**

- Current	6,658,598	8,406,971
- Non-current	3,663,487	6,618,016
	<b>10,322,085</b>	<b>15,024,987</b>

**Note A: Operating grant**

	Note	2023 \$	2022 \$
At 1 April		4,393,028	5,286,574
Grants received during the year		11,317,601	10,647,297
Grants recognised during the year	13	(13,162,160)	(11,540,843)
At 31 March		<b>2,548,469</b>	<b>4,393,028</b>

The funding is provided by MCCY to meet operational expenses.

**Note B: Cultural matching fund**

	Note	2023 \$	2022 \$
At 1 April		9,323,510	12,767,671
Grants received during the year		550,000	-
Grants recognised during the year	13	(3,621,984)	(3,444,161)
At 31 March		<b>6,251,526</b>	<b>9,323,510</b>

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.

**Note C: Job support scheme**

	2023 \$	2022 \$
At 1 April	703,156	604,279
Grants received during the year	108,144	98,877
At 31 March	<b>811,300</b>	<b>703,156</b>

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

## 11 Deferred income (Cont'd)

Note D: Bicentennial community fund matching grant

	Note	2023 \$	2022 \$
At 1 April		295,285	300,000
Grants recognised during the year	13	(24,503)	(4,715)
At 31 March		270,782	295,285

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

Note E: TOTE Board grant

	Note	2023 \$	2022 \$
At 1 April		310,008	-
Grants received during the year		200,000	310,008
Grants recognised during the year	13	(70,000)	-
At 31 March		440,008	310,008

Tote Board grant is received to promote Chinese Singaporean culture.

Note F: Deferred donations

	Note	2023 \$	2022 \$
At 1 April		-	43,141
Donations received during the year		-	1,705,055
Donations recognised during the year	14	-	(1,748,196)
At 31 March		-	-

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.

## 12 Trade and other payables

	Operation Fund \$	2023 Endowment fund \$	Total \$	Operation Fund \$	2022 Endowment fund \$	Total \$
Trade payables	792,409	7,888	800,297	660,828	12,243	673,071
<b>Other payables</b>						
Other payables	174	-	174	46,203	-	46,203
Directors	849	-	849	2,946	-	2,946
Deposits received	117,242	-	117,242	188,292	-	188,292
Accruals	1,986,374	-	1,986,374	1,449,536	-	1,449,536
Advances from customers	257,070	-	257,070	181,363	-	181,363
	2,361,709	-	2,361,709	1,868,340	-	1,868,340
Total	3,154,118	7,888	3,162,006	2,529,168	12,243	2,541,411

## 13 Government grants

	Note	2023 \$	2022 \$
Operating grant	11	13,162,160	11,540,843
Land rental subvention		4,419,169	4,480,903
Cultural matching fund	11	3,621,984	3,444,161
Bicentennial community fund matching grant	11	24,503	4,715
Tote board grants	11	70,000	-
Other programme grants		19,128	-
		21,316,944	19,470,622

## 14 Donations

	Note	2023 \$	2022 \$
Tax deductible donation	11, 18	2,152,030	1,705,055
Non-tax deductible donations	11	-	43,141
Other non-tax deductible donations		140	355
Donation in kind		100	-
		2,152,270	1,748,551

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 2023 (2022: 1 February 2020) under the IPC scheme.

**15 Other income**

	2023	2022
	\$	\$
Miscellaneous income	163,550	216,961
Other project income	39,106	-
Input GST recoverable	62,570	-
	<b>265,226</b>	<b>216,961</b>

**16 Employee benefits**

	2023	2022
	\$	\$
Short term employee benefits expense	3,329,490	3,067,320
Contributions to defined contribution plan	478,635	453,852
Other benefits	116,142	145,231
	<b>3,924,267</b>	<b>3,666,403</b>

**17 Surplus before transfer**

Other than as disclosed elsewhere in these financial statements, surplus before transfer has been arrived after charging:

	2023	2022
	\$	\$
Audit fees	20,000	15,000
Amortisation of intangible assets	1,435,326	1,435,325
Bad debts	1,482	1,112
Consultation fees	66,815	54,080
Depreciation of property, plant and equipment	603,799	697,520
Loss on disposal of fixed assets	449	-
Marketing expenses	1,328,288	1,026,216
Professional fees	66,815	54,080
Rental expenses	4,419,169	-
Repair and maintenance	769,858	547,073
Research expenses	391,114	-
Website hosting & maintenance	311,954	344,580

**18 Tax exempt receipt**

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times double tax deduction for the donations made to the Company. The IPC status was renewed for 36 months with effect from 1 February 2023 to 31 January 2026 (2022: 1 February 2021 to 31 January 2023).

	2023	2022
	\$	\$
Donations for which tax-exempt receipts were issued	2,152,030	1,705,055

**19 Operating Leases**

Operating lease payment commitments – as lessee

The rental charged by the Government pursuant to a tenancy agreement which the Company is fully funded by way of Government subvention. Refer to Note 2(d)(i) on the accounting policies in respect of the tenancy agreement and subvention commitment thereof.

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

	2023 \$	2022 \$
Within 1 year	4,325,670	4,480,903
Between 1 to 2 years	4,355,640	2,987,269
Between 2 to 5 years	2,903,760	-
	<b>11,585,070</b>	<b>7,468,172</b>

Rental expenses of \$4,419,169 (2022: \$4,480,903) from the temporary occupation licenses for the use of state land during the year included within "rental expenses".

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.

Operating lease income commitments – as lessor

The Company subleases some of its premises rented from the Government. The Company has classified these subleases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership. As the rental charged by the Government for its premises is fully funded by way of Government subvention, any changes in residual value at the end of the term of the subleases do not represent a significant risk for the Company.

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

	2023 \$	2022 \$
Within 1 year	420,866	396,775
Between 1 to 2 years	415,949	451,938
Between 2 to 5 years	116,142	-
	<b>952,957</b>	<b>848,713</b>

Rental income of \$459,544 (2022: \$366,796) from subleasing of office space during the year included within "Income from leasing activities".

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 Significant related party transactions**

Some of the Company's transactions and arrangements are with a related party and the effect of these on the basis determined between the parties is reflected in these financial statements.

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party is subject to common control, or the party is a member of key management personnel of the Company, or the party is a close family member of any individual of the key management personnel or controlling party.

Other than as disclosed elsewhere in the financial statement, the following transactions took place between the Company and the related party that have common directors who has significant influence at terms agreed between the parties:

	<b>2023</b>	2022
	<b>\$</b>	<b>\$</b>
Reimbursement from co-shared projects	<b>94,266</b>	36,290
Projects and activities expenses	<b>(198,080)</b>	(91,921)
Sales of goods and services	<b>13,482</b>	(3,000)
Purchase of goods and services	<b>-</b>	2,254

### Compensation of key management personnel

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

	<b>2023</b>	2022
	<b>\$</b>	<b>\$</b>
Short-term benefit	<b>321,932</b>	296,939
Post-employment benefits	<b>17,496</b>	21,574
	<b>339,428</b>	318,513

## **21 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.

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



**21 Financial risk management (Cont'd)****21.1 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:

	2023			2022		
	Operation Fund	Endowment fund	Total	Operation Fund	Endowment fund	Total
	\$	\$	\$	\$	\$	\$
Financial assets with interest						
Floating rate	1,980,900	19,826,457	21,807,357	-	21,681,770	21,681,770
Fixed rates	12,087,961	8,000,000	20,087,961	11,376,763	-	11,376,763
	<b>14,068,861</b>	<b>27,826,457</b>	<b>41,895,318</b>	<b>11,376,763</b>	<b>21,681,770</b>	<b>33,058,533</b>

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**

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 \$218,074 (2022: \$216,818).

**21.2 Credit risk**

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Company as and when they fall due. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

**21 Financial risk management (Cont'd)**

**21.2 Credit risk (Cont'd)**

The Company's credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The Company has adopted procedures in monitoring its credit risk. Cash and cash equivalents are held with reputable institutions and are subject to immaterial credit loss.

The Company does not have any significant credit risk exposure to any single counterparty.

The Company's surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

**21.3 Liquidity risk**

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain an adequate level of cash and cash equivalents to finance the Company's operation.

The following table analyses the remaining contractual maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	---Contractual undiscounted cash flows---			Carrying amount
	Less than 1 year \$	Between 2 to 5 years \$	Total \$	
<b>2023</b>				
Trade and other payables	3,162,006	-	3,162,006	3,162,006
	<b>3,162,006</b>	<b>-</b>	<b>3,162,006</b>	<b>3,162,006</b>
<b>2022</b>				
Trade and other payables	2,541,411	-	2,541,411	2,541,411
	<b>2,541,411</b>	<b>-</b>	<b>2,541,411</b>	<b>2,541,411</b>

## **22 Financial instruments**

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	2023			2022		
	Operation Fund	Endowment fund	Total	Operation Fund	Endowment fund	Total
	\$	\$	\$	\$	\$	\$
<u>Financial assets</u>						
At amortised cost*	17,253,094	8,183,327	25,436,421	19,542,803	5,106,785	24,649,588
At FVTPL	1,980,900	23,119,163	25,100,063	-	25,902,111	25,902,111
	<b>19,233,994</b>	<b>31,302,490</b>	<b>50,536,484</b>	<b>19,542,803</b>	<b>31,008,896</b>	<b>50,551,699</b>
<u>Financial liabilities</u>						
At amortised cost**	3,154,118	7,888	3,162,006	2,529,168	12,243	2,541,411

\* exclude prepayment and GST receivables

## **23 Fair value measurement**

### Definition of fair value

FRSs define fair value as 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.

### Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

### Fair value measurement of financial assets and liabilities

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

The Company does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

## 24 Comparative information

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements to present cash and cash equivalents in the statements of cash flows. The effect are as follows:

	For the financial year ended 31 March 2022 as reported \$	Reclassification \$	For the financial year ended 31 March 2022 as restated \$
	Operation fund		Operation fund
<b>Statement of cash flow</b>			
<b>Cash flow from operating activities</b>			
Depreciation and amortisation	2,132,845	(2,132,845)	-
Depreciation of property, plant and equipment	-	697,520	697,520
Amortisation of intangible assets	-	1,435,325	1,435,325
Trade and other receivables	336,865	(296,777)	40,088
Other assets	(250,679)	(250,679)	-
Net cash used in operating activities	(3,374,699)	(46,098)	(3,420,797)
<b>Cash flow from investing activities</b>			
Placement of fixed deposits	-	(1,600,000)	(1,600,000)
Net cash generated from investing activities	1,987,352	(1,600,000)	387,352
<b>Net decrease in cash and cash equivalents</b>	(1,387,347)	(1,646,098)	(3,033,445)
Cash and cash equivalents at beginning of year	20,530,541	(6,759,510)	13,771,031
<b>Cash and cash equivalents at end of year</b>	19,143,194	(8,405,608)	10,737,586