

O SCHOOL LTD.

[UEN. 200905934E]

[A company limited by guarantee and
not having a share capital]

[Incorporated in the Republic of Singapore]

AND ITS SUBSIDIARY

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2017**

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **O School Ltd.** (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017, and the consolidated statement of financial activities, consolidated statement of changes in fund and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of Company as at 31 March 2017, and of the consolidated financial performance, consolidated changes in fund and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Other information

Management is responsible for 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.

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Independent auditor's report to the members of:

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

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

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

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



Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, **11 SEP 2017**

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2017**

			Group	
	Note	2017 S\$		2016 S\$
INCOME				
<u>Income from generating funds</u>				
Voluntary income				
- Tax exempt donations	4	11,551		0
- Non-tax exempt donations		800		0
- Grants	5	442,944		294,981
		455,295		294,981
<u>Income from charitable activities</u>				
Dance class fees		584,382		717,270
Project and performance income		13,523		24,628
Sale of goods		7,768		4,953
Ticketing sales		73,113		92,616
		678,786		839,467
<u>Other income</u>				
Dance class fees		82,488		39,762
Dance instruction income		0		6,800
Management fee income		0		331
Miscellaneous income	6	32,787		39,130
Project and performance income		145,946		78,999
Rental income		34,152		28,782
School income		352,383		377,268
Ticketing sales		51,888		0
		699,644		571,072
Total income		1,833,725		1,705,520
EXPENSES				
<u>Cost of charitable activities</u>		504,388		602,370
<u>Other expenses</u>		733,511		529,511
<u>Governance and administrative costs</u>		589,952		469,735
Total expenses		1,827,851		1,601,616
Net income before income tax		5,874		103,904
Income tax	7	865		(4,931)
NET INCOME FOR THE YEAR		6,739		98,973
General fund brought forward		76,159		(22,814)
General fund carried forward		82,898		76,159

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
 31 MARCH 2017 (CONT'D)**

	Note	2017 S\$	Group 2016 S\$
EXPENSES			
<u>Cost of charitable activities</u>			
Accommodation		6,476	2,330
Contractual services		124,342	92,653
Event expenses		5,249	104,740
Honorarium		8,550	31,315
Merchandise	10	8,131	8,042
Props and costumes		20,664	10,349
Rental			
- Equipment		0	7,785
- Premises		53,929	55,574
Staff costs			
- CPF and SDL contributions		33,673	36,488
- Director's remuneration	14	45,630	48,243
- Salaries and bonuses		194,829	202,219
- Staff benefits		0	227
- Training and seminars		2,915	2,405
		504,388	602,370
<u>Other expenses</u>			
Air passage		8,738	20,225
Contractual services		381,433	273,486
Event expenses		99,067	84
Props and costumes		11,336	4,147
Staff costs			
- CPF and SDL contributions		34,463	33,662
- Salaries and bonuses		197,117	197,693
- Training and seminars		1,357	214
		733,511	529,511

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 MARCH 2017 (CONT'D)**

	Note	2017 S\$	Group 2016 S\$
EXPENSES (CONT'D)			
<u>Governance and administrative costs</u>			
Accommodation		1,258	0
Accessories and supplies		4,536	2,176
Advertising and publicity		3,831	2,186
Auditor's remuneration		9,309	8,560
Bad debts		100	0
Bank charges		822	1,016
Credit card charges		6,151	4,144
Depreciation	12	15,043	7,347
Food and refreshment		13,681	8,353
Gift and prizes		12,070	0
General expenses		15,418	17,399
Honorarium		62,101	0
Insurance		5,237	9,405
Legal and professional fees		57,564	28,200
Management and administrative fees		2,700	4,641
Printing and stationery		11,394	7,563
Property, plant and equipment written off		0	2,576
Rental			0
- Equipment		7,820	
- Premises		313,592	297,469
Repair and maintenance		15,634	14,153
Renovation expenses		365	5,822
Staff costs			1,813
- Annual leave		(5,496)	
- Medical fees		1,382	1,660
Subscriptions		6,630	7,245
Telecommunication expenses		5,120	6,852
Travelling expenses		7,039	17,240
Utilities		16,331	13,579
Welfare and prizes		320	336
		<u>589,952</u>	<u>469,735</u>
Total expenses		<u>1,827,851</u>	<u>1,601,616</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 S\$	Group	2016 S\$
ASSETS				
Current assets				
Cash and cash equivalents	8	115,438		95,131
Trade and other receivables	9	159,191		203,429
Inventories	10	6,245		9,146
		280,874		307,706
Non-current assets				
Property, plant and equipment	12	33,206		15,061
Total assets		314,080		322,767
LIABILITIES				
Current liabilities				
Trade and other payables	13	230,836		242,352
Income tax payable	7	346		4,256
		231,182		246,608
Total liabilities		231,182		246,608
NET ASSETS		82,898		76,159
FUND				
Unrestricted fund				
Accumulated fund		82,898		76,159

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017 - COMPANY

		Company	
	Note	2017 S\$	2016 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	46,868	64,427
Trade and other receivables	9	62,013	128,754
Inventories	10	6,245	9,146
		115,126	202,327
Non-current assets			
Investment in a subsidiary	11	5,000	5,000
Property, plant and equipment	12	23,066	7,605
		28,066	12,605
Total assets		143,192	214,932
LIABILITIES			
Current liabilities			
Trade and other payables	13	142,250	182,471
Total liabilities		142,250	182,471
NET ASSETS		942	32,461
FUND			
Unrestricted fund			
Accumulated fund		942	32,461

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

CONSOLIDATED STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	2017	Group	2016
	S\$		S\$
<u>Unrestricted fund</u>			
<u>Accumulated fund</u>			
Balance at beginning of financial year	76,159		(22,814)
Net income for the year	6,739		98,973
Balance at end of financial year	<u>82,898</u>		<u>76,159</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 S\$	Group 2016 S\$
Cash flows from operating activities			
Net income before income tax		5,874	103,904
Adjustments for:			
- Depreciation	12	15,043	7,347
- Property, plant and equipment written off		0	2,576
Operating cash flow before working capital changes		<u>20,917</u>	<u>113,827</u>
Changes in operating assets and liabilities			
- Trade and other receivables		44,238	(79,118)
- Inventories		2,901	6,142
- Trade and other payables		<u>(11,516)</u>	<u>(85,177)</u>
Cash generated from /(used in) operations		56,540	(44,326)
Income tax paid	7	<u>(3,045)</u>	<u>(675)</u>
Net cash generated from / (used in) operating activities		<u>53,495</u>	<u>(45,001)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment representing net cash used in operating activities	12	<u>(33,188)</u>	<u>(9,276)</u>
Net increase / (decrease) in cash and cash equivalents		20,307	(54,277)
Cash and cash equivalents at beginning of financial year		<u>95,131</u>	<u>149,408</u>
Cash and cash equivalents at end of financial year	8	<u>115,438</u>	<u>95,131</u>
Cash and cash equivalents comprise:			
Cash on hand		3,085	1,000
Cash at bank		<u>112,353</u>	<u>94,131</u>
	8	<u>115,438</u>	<u>95,131</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

1. General information

O School Ltd. (the "Company") was incorporated on 2 April 2009 as a company limited by guarantee and not having a share capital. The Company is registered as a charity under the Charities Act, Chapter 37 on 19 April 2010. The Company was accorded as an Institution of a Public Character ("IPC") status for the period from 21 November 2016 to 20 November 2017.

The address of the Company's registered office and principal place of business is at 2 Orchard Link, #04-04 Scape, Singapore 237978.

The principal activities of the Company are to conduct art classes and choreography lessons, sales of dance apparel and event or concert organiser. Its mission is to inspire youths to pursue their dreams and bringing dance to masses. The principal activities of the subsidiary are event management, production, design and agency work and agents for artistes, athletes, models and other performers.

2. Significant accounting policies

2.1 Basis of preparation

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

These financial statements are presented in Singapore Dollars (S\$), which is the Group's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2016 (Cont'd)

New or amended Standards and Interpretations effective after 1 April 2016

The following are the new or amended Standards and Interpretations (issued by Accounting Standards Council up to 04 January 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
Amendments to: - FRS 7 Statement of cash flows (Disclosure initiative) - FRS 12 Income taxes (Recognition of deferred tax assets for unrealised losses)	1 January 2017
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Group's activities. Income is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

2.2.3 Project and performance income

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

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.4 Ticketing sales

Revenue from sales of tickets is recognised when the production/service have been performed.

2.2.5 Sale of goods

Income from the sale of goods is recognised when the Group has delivered the products to the buyer, the buyer has accepted the products, and the collectability of the related receivables is reasonably assured.

2.2.6 Management fees

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

2.2.7 Other income

Other income is recognised when incurred.

2.3 Group accounting

2.3.1 Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2. Significant accounting policies (Cont'd)

2.3 Group accounting (Cont'd)

2.3.1 Subsidiaries (Cont'd)

(ii) Acquisitions

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(iii) Disposal

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amount previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific standard.

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

2.3.2 Transactions with non-controlling interests

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

2.3.3 Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, and generally accompanied by shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

2. Significant accounting policies (Cont'd)

2.3 Group accounting (Cont'd)

2.3.3 Associated companies and joint ventures (Cont'd)

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) **Acquisitions**

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) **Equity method of accounting**

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its shares of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligation to make, or has made, payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of the associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) **Disposals**

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

2. Significant accounting policies (Cont'd)

2.4 Expense recognition

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

2.4.1 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Group. The total costs of charitable activities are apportionment of overhead and shared costs.

2.4.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Group, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Property, plant and equipment

2.5.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.5.2 Depreciation

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

	Useful lives
Furniture and fittings	5 years
Office equipment	3 years
Renovation	3 years

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

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in profit or loss.

2.6 Investment in a subsidiary

Investments in subsidiary are carried at cost, less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.7 Inventories

Inventories comprising T-shirts and caps are valued at the lower of cost and net realisable value. Cost comprises of purchase and other costs incurred in bringing the inventories to their present location and condition and are determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less applicable selling expenses.

2.8 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

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

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revalued increase.

2. Significant accounting policies (Cont'd)

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are represented as current assets, except those expected to be realised later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.9.2 Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

2.9.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.9.4 Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

2.9.4 Impairment (Cont'd)

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.10 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.11 Financial liabilities

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

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different 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 respective carrying amounts is recognised in the statement of financial activities.

2.12 Trade and other payables

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

2.13 Provisions for other liabilities and charges

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

2.14 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost, approximate their carrying amount.

2.15 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the directors. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The directors retain full control over the use of unrestricted funds for any of the Group's purposes. There is no restricted fund at the end of the financial year.

2. Significant accounting policies (Cont'd)

2.16 Leases

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Rental on operating lease is charged to statement of comprehensive income. Contingent rents are recognised as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2.17 Employee compensation

Defined contribution plans

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

Employee leave entitlement

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

2.18 Income taxes

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred income tax is measured:

2. Significant accounting policies (Cont'd)

2.18 Income tax (Cont'd)

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.19 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to a Company if that person:
 - (i) Has control or joint control of 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 a 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the entity's accounting policies

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

Estimated useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

Impairment of non-financial assets

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

Allowance for impairment of receivables

The Group reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Tax deductible receipts

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

	Group and Company	
	2017	2016
	S\$	S\$
Statement of Financial Activities:		
General fund		
- Donations	11,551	0
- Ticketing sales	4,000	0
Total	15,551	0

5. Grants

	Group and Company	
	2017	2016
	S\$	S\$
Grants from National Art Council		
- Major grant	280,000	200,000
- Other grants	112,944	68,697
Grants from National Youth Council	45,000	26,284
Other grant	5,000	0
	442,944	294,981

6. Miscellaneous income

	Group	
	2017	2016
	S\$	S\$
PIC bonus and cash pay-out	2,433	5,100
Wage credit scheme	18,152	14,018
Temporary employment credit	4,016	0
Training grant	5,000	0
Others	3,186	20,012
	32,787	39,130

7. Income tax

The Company is registered as a charity organisation under Charities Act, Chapter 37. Consequently, the income of the Company is exempted from income tax under the provisions of Section 13 of the Income tax Act, Chapter 134.

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

	Group	
	2017	2016
	S\$	S\$
<i>Income tax (benefit) / expenses</i>		
Tax expense attributable to profit is made up of:		
- Current tax expense	346	4,931
- Overprovision in prior year	(1,211)	0
	(865)	4,931

7. Income tax (Cont'd)

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

	Group	
	2017 S\$	2016 S\$
(Loss)/Profit before income tax	5,874	103,904
Tax calculated at a tax rate of 17% (2016: 17%)	999	17,664
Effects of:		
- expenses not deductible for tax purpose	1,266	1,318
- Income not subject to tax	(414)	0
- Statutory stepped income exemption	(3,838)	(15,275)
- Tax rebate	(598)	(1,112)
- Utilisation of capital allowances	(382)	0
- Overprovision in prior year	(1,211)	0
- Losses not carried forward	5,358	0
- Other	(2,045)	2,336
Tax charge	(865)	4,931
	2017	2016
	S\$	S\$
<i>Movement in current income tax liabilities</i>		
Balance at beginning of the year	4,256	0
Tax expense for current financial year	346	4,931
Overprovision in prior year	(1,211)	0
Tax paid for current financial year	(3,045)	(675)
Balance at end of the year	346	4,256

8. Cash and cash equivalents

	Group		Company	
	2017 S\$	2016 S\$	2017 S\$	2016 S\$
Cash on hand	3,085	1,000	1,285	1,000
Cash at banks	112,353	94,131	45,583	63,427
	115,438	95,131	46,868	64,427

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

9. Trade and other receivables

	Group		Company	
	2017 S\$	2016 S\$	2017 S\$	2016 S\$
Trade receivables				
- Non-related parties	96,933	77,568	1,315	4,617
Other receivables				
- Deposits	46,469	85,791	45,469	85,791
- Other debtors	593	2,580	89	856
- Prepayments	15,196	37,490	15,140	37,490
	159,191	203,429	62,013	128,754

Trade receivables are interest-free and generally collectible within 30 (2016: 30) days' term.

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

10. Inventories

	Group and Company	
	2017 S\$	2016 S\$
T-shirts, DVDs and towels, at cost	6,245	9,146

The cost of inventories recognised as an expense and included in "Costs of charitable activities" amounted to S\$8,131 (2016: S\$8,042).

At the reporting date, the carrying amounts of inventories approximated their fair values.

11. Investment in a subsidiary

	Company	
	2017 S\$	2016 S\$
Unquoted shares, at cost	5,000	5,000

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		2017	2016	
O2 Pte. Ltd.*	Singapore	100%	100%	Event management, production, and design

* Audited by Fiducia LLP

12. Property, plant and equipment

	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2017				
Group				
Cost				
Beginning of financial year	10,941	43,911	29,177	84,029
Additions	470	12,564	20,154	33,188
End of financial year	<u>11,411</u>	<u>56,475</u>	<u>49,331</u>	<u>117,217</u>
Accumulated depreciation				
Beginning of financial year	8,438	35,170	25,360	68,968
Depreciation	601	8,392	6,050	15,043
End of financial year	<u>9,039</u>	<u>43,562</u>	<u>31,410</u>	<u>84,011</u>
Net book value	<u>2,372</u>	<u>12,913</u>	<u>17,921</u>	<u>33,206</u>
2016				
Group				
Cost				
Beginning of financial year	7,935	66,146	24,464	98,545
Additions	3,006	1,557	4,713	9,276
Disposal	0	(23,792)	0	(23,792)
End of financial year	<u>10,941</u>	<u>43,911</u>	<u>29,177</u>	<u>84,029</u>
Accumulated depreciation				
Beginning of financial year	7,935	50,438	24,464	82,837
Depreciation	503	5,948	896	7,347
Disposal	0	(21,216)	0	(21,216)
End of financial year	<u>8,438</u>	<u>35,170</u>	<u>25,360</u>	<u>68,968</u>
Net book value	<u>2,503</u>	<u>8,741</u>	<u>3,817</u>	<u>15,061</u>
2017				
Company				
Cost				
Beginning of financial year	10,941	29,054	29,177	69,172
Additions	470	2,528	20,154	23,152
End of financial year	<u>11,411</u>	<u>31,582</u>	<u>49,331</u>	<u>92,324</u>
Accumulated depreciation				
Beginning of financial year	8,438	27,769	25,360	61,567
Depreciation	601	1,040	6,050	7,691
End of financial year	<u>9,039</u>	<u>28,809</u>	<u>31,410</u>	<u>69,258</u>
Net book value	<u>2,372</u>	<u>2,773</u>	<u>17,921</u>	<u>23,066</u>

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

2016	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Company				
Cost				
Beginning of financial year	7,935	51,289	24,464	83,688
Additions	3,006	1,557	4,713	9,276
Written off	0	(23,792)	0	(23,792)
End of financial year	<u>10,941</u>	<u>29,054</u>	<u>29,177</u>	<u>69,172</u>
Accumulated depreciation				
Beginning of financial year	7,935	47,989	24,464	80,388
Depreciation	503	996	896	2,395
Written off	0	(21,216)	0	(21,216)
End of financial year	<u>8,438</u>	<u>27,769</u>	<u>25,360</u>	<u>61,567</u>
Net book value	<u>2,503</u>	<u>1,285</u>	<u>3,817</u>	<u>7,605</u>

13. Trade and other payables

	Note	Group		Company	
		2017 S\$	2016 S\$	2017 S\$	2016 S\$
Trade payables					
- Related parties		2,351	0	2,351	0
- Non-related parties		<u>3,679</u>	<u>0</u>	<u>3,679</u>	<u>0</u>
		<u>6,030</u>	<u>0</u>	<u>6,030</u>	<u>0</u>
Other payables:					
- Amount due to a subsidiary	14	0	0	15,946	19,308
- Non-related parties					
- Accruals		144,785	102,796	40,253	35,104
- Deferred income		80,021	128,059	80,021	128,059
- Other payables		<u>0</u>	<u>11,497</u>	<u>0</u>	<u>0</u>
		<u>224,806</u>	<u>242,352</u>	<u>136,220</u>	<u>182,471</u>
Total		<u>230,836</u>	<u>242,352</u>	<u>142,250</u>	<u>182,471</u>

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

14. Related party transactions

The Group has significant related parties transactions with related parties on terms agreed with the parties as follows:

	Group		Company	
	2017 S\$	2016 S\$	2017 S\$	2016 S\$
<i>Subsidiary</i>				
<u>Income</u>				
Dance class fees	0	0	(320)	(569)
Rental income	0	0	(35,785)	(8,375)
<u>Expenses</u>				
Contractual services	0	0	26,925	22,876
Event expenses	0	0	295,605	94,080
Management services and administrative expenses	0	0	0	7,131
Income collected on behalf	0	0	34,157	0
<i>A director</i>				
Settlement of interest-free loan	50,000	0	0	0
Honorarium	750	0	0	0
<i>Companies with common director</i>				
Project income	(16,136)	0	0	0
Secretarial fees	2,063	2,240	1,583	1,760
Books and materials	2,634	0	2,384	0
Management services and administrative expenses	2,700	0	2,700	0
Repair and maintenance	3,752	0	3,752	0
<i>Company in which family members of directors have an interest</i>				
Accounting, tax and payroll fees	<u>45,847</u>	<u>26,085</u>	<u>15,485</u>	<u>14,895</u>

Balances with the related parties as at the reporting date are as follows:

	Note	Group		Company	
		2016 S\$	2016 S\$	2016 S\$	2016 S\$
<i>Subsidiary</i>					
Amount due to related party representing expenses paid on behalf of the Subsidiary	13	<u>0</u>	<u>0</u>	<u>(15,946)</u>	<u>(19,308)</u>

The amounts due to related parties are unsecured, non-trade in nature, interest free and repayable on demand.

14. Related party transactions

The key management personnel compensation for the financial year follows:

	Group	
	2017 S\$	2016 S\$
Salaries and other short-term benefits	39,000	41,607
Post-employment benefits – CPF contributions	6,630	6,636
	45,630	48,243
	2017 No. of key management personnel	2016 No. of key management personnel
<i>Remuneration band (S\$)</i>		
Between S\$1 to S\$50,000	1	2

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

15. Management of conflict of interest

The directors are required to disclose any interest that they may have, whether directly or indirectly, that the Group may enter into or in any organisation that the Group has dealings with or is considering dealing with and any personal interests accruing to him as one of the Group's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected member of the Board may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

16. Operating lease commitments

At the statement of financial position date, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group and Company	
	2017 S\$	2016 S\$
Not later than one year	194,606	211,025
Later than one year but not later than five years	32,435	227,041
	227,041	438,066
Operating lease paid	211,025	353,043

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

17. Reserve position

The Company's reserve position for financial year ended 31 March 2017 is as follows:

		2017	2016	Increase /(Decrease)
		\$'000	\$'000	%
A	Unrestricted Funds			
	Accumulated General Funds	1	32	-88
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	0	0	0
C	Endowment Funds	N/A	N/A	
D	Total Funds	1	32	-88
E	Total Annual Operating Expenditure	1,245	1,133	10
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.001	0.03	

Reference:

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

18. Financial risk management

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

Credit risk

The Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the Group resulting in a loss to the Group.

The carrying amount of cash and cash equivalents and trade and other receivables represents the Group's maximum exposure to credit risk in relation to financial assets.

The trade receivables relate to revenue. The Group performs on-going credit evaluation of its customers' financial conditions.

Trade receivables are unsecured and the analysis of their aging follows:

	Group		Company	
	2017 S\$	2016 S\$	2017 S\$	2016 S\$
Current	96,658	54,293	1,040	1,030
Past due but not impaired				
- 31 to 60 days	0	4,962	0	832
- 61 days and above	275	18,313	275	2,755
	<u>96,933</u>	<u>77,568</u>	<u>1,315</u>	<u>4,617</u>

The directors are of the opinion that no allowance for impairment is required.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit agencies.

18. Financial risk management (Cont'd)

Liquidity risk

Liquidity risk refers to the risk that the Group will not have sufficient funds to pay its debts as and when they fall due.

The Group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents deemed adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flow. The Group has the continuing financial support of its directors to meet its working capital requirements.

The table below summarises the profile of the Group's and Company's financial liabilities at the statement of financial position date based on contractual undiscounted payments.

	Group		Company	
	2017	2016	2017	2016
<u>Payable within one year</u>	S\$	S\$	S\$	S\$
<i>Financial liabilities</i>				
Trade and other payables	<u>(150,815)</u>	<u>(114,293)</u>	<u>(62,229)</u>	<u>(54,412)</u>

Interest rate risk

The Group's revenue and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the statement of financial position date.

Currency risk

The Group is not exposed to foreign currency exchange risk as all of its transactions are in Singapore Dollars, its functional currency.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Group approximate their fair values due to their short-term nature.

19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of the Company on 11 September 2017.

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

**FOR MANAGEMENT PURPOSES ONLY
 DETAILED STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	2017 S\$	Company 2016 S\$
INCOME		
<u>Income from generating funds</u>		
Voluntary income		
- Tax exempt donations	11,551	0
- Non-tax exempt donations	800	0
- Grants	442,944	294,981
	455,295	294,981
<u>Income from charitable activities</u>		
School income	0	0
Dance class fees	584,702	717,839
Project and performance income	13,523	24,628
Sale of goods	7,768	4,953
Ticketing sales	73,113	92,616
	679,106	840,036
<u>Other income</u>		
Rental income	69,937	37,157
Miscellaneous income	9,360	23,438
Gain on disposal of property, plant and equipment	0	0
	79,297	60,595
Total income	1,213,698	1,195,612
EXPENSES		
<u>Cost of charitable activities</u>	828,693	695,986
<u>Governance and administrative costs</u>	416,524	436,579
Total expenses	1,245,217	1,132,565
NET (EXPENDITURE)/INCOME	(31,519)	63,047

FOR MANAGEMENT PURPOSES ONLY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)

	2017	Company	2016
	S\$		S\$
EXPENSES			
<u>Cost of charitable activities</u>			
Accommodation	6,476		2,330
Air passage	0		0
Contractual services	153,042		115,529
Event expenses	300,854		198,820
Honorarium	8,550		7,975
Merchandise	8,131		8,042
Props and costumes	20,664		10,349
Rental			
- Equipment	0		7,785
- Premises	53,929		55,574
Staff costs			
- CPF and SDL contributions	33,673		36,488
- Director's remuneration			
- CPF and SDL contributions	6,630		6,636
- Salaries and bonuses	39,000		41,607
- Salaries and bonuses	194,829		202,219
- Staff benefits	0		227
- Training and seminars	2,915		2,405
	<u>828,693</u>		<u>695,986</u>
<u>Governance and administrative costs</u>			
Accessories and supplies	4,029		1,419
Advertising and publicity	497		2,186
Auditor's remuneration	6,420		5,671
Bad debts written off	0		0
Bank charges	110		108
Credit card charges	3,701		2,526
Depreciation	7,691		2,394
Food and refreshment	6,480		7,060
General expenses	13,307		11,993
Insurance	3,820		8,189
Legal and professional fee	23,083		19,776
Management and administrative fees	2,700		11,772
Printing and stationery	4,358		5,994
Property, plant and equipment written off	0		2,576
Rental			
- Premises	295,927		297,414
Repair and maintenance	15,634		14,153
Renovation expenses	365		5,822
Staff costs			
- Annual leave	(3,720)		331
- Medical fees	914		1,570
Subscription fees	6,630		7,245
Telecommunication expenses	5,120		6,852
Travelling expenses	2,807		7,613
Utilities	16,331		13,579
Welfare and prizes	320		336
	<u>416,524</u>		<u>436,579</u>
Total expenses	<u>1,245,217</u>		<u>1,132,565</u>