

**O SCHOOL LTD.
AND ITS SUBSIDIARY**

[UEN. 200905934E]

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

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018**

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Fiducia LLP

(UEN T10LL0955L)

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent, Excalibur Centre,

#08-01, Singapore 408571

T: (65) 6846.8376

F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2018 and the statement of financial position of the Company as at 31 March 2018.

In the opinion of the directors,

- a) the statement of financial position of the Company and the consolidated financial statements of the Group, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2018, and the financial performance, changes in fund and cash flows of the Group for the financial 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.

Directors

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

Low Heng Khuen
June Chiam Wei Wei
Lester Chan Choon Yew
Matthias Yeo Chiow Leng

Arrangements to enable directors to acquire shares and/or debentures

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

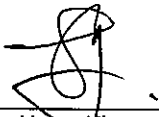
Other matters

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

Independent auditors

The independent auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the directors,



Low Heng-Khuen
Director



June Chiam Wei Wei
Director

Singapore, 27 SEP 2018

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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 2018, 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 2018, 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 the other information. The other information comprises the information included in the annual report and director's 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

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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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Independent auditor's report to the members of:

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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, 27 SEP 2018

Partner-in-charge: Looi Chee Bin
PAB. No.: 01834

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018**

	Note	Group	
		2018 S\$	2017 S\$
INCOME			
<u>Income from generating funds</u>			
Voluntary income			
- Tax exempt donations	4	7,300	11,551
- Non-tax exempt donations		5,000	800
- Grants	5	436,399	442,944
		448,699	455,295
<u>Income from charitable activities</u>			
Dance class fees		601,319	584,382
Project and performance income		14,321	13,523
Sale of goods		1,810	7,768
Ticketing sales		84,084	73,113
		701,534	678,786
<u>Other income</u>			
Dance class fees		91,856	82,488
Miscellaneous income	6	24,917	32,787
Project and performance income		136,617	145,946
Rental income		60,556	34,152
School income		270,565	352,383
Sponsorship income		17,500	0
Ticketing sales		56,698	51,888
		658,709	699,644
Total income		1,808,942	1,833,725
EXPENSES			
<u>Cost of charitable activities</u>		561,390	504,388
<u>Other expenses</u>		628,792	733,511
<u>Governance and administrative costs</u>		568,838	589,952
Total expenses		1,759,020	1,827,851
Net income before income tax		49,922	5,874
Income tax	7	0	865
NET INCOME FOR THE YEAR		49,922	6,739
General fund brought forward		82,898	76,159
General fund carried forward		132,820	82,898

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	Group	
		2018 S\$	2017 S\$
EXPENSES			
<u>Cost of charitable activities</u>			
Accommodation		1,123	6,476
Contractual services		112,300	124,342
Event expenses		49,086	5,249
Honarium		2,750	8,550
Merchandise	10	889	8,131
Props and costumes		11,348	20,664
Rental of premises		27,665	53,929
Staff costs			
- CPF and SDL contributions		47,642	33,673
- Director's remuneration	14	32,252	45,630
- Salaries and bonuses		274,552	194,829
- Staff benefits		200	0
- Training and seminars		1,583	2,915
		561,390	504,388
<u>Other expenses</u>			
Air passage		2,762	8,738
Contractual services		282,954	381,433
Event expenses		85,490	99,067
Props and costumes		7,542	11,336
Staff costs			
- CPF and SDL contributions		33,752	34,463
- Salaries and bonuses		189,430	197,117
- Director's remuneration	14	22,815	0
- Training and seminars		4,047	1,357
		628,792	733,511

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
31 MARCH 2018 (CONT'D)**

	Note	Group	
		2018 S\$	2017 S\$
EXPENSES (CONT'D)			
<u>Governance and administrative costs</u>			
Accommodation		2,971	1,258
Accessories and supplies		2,060	4,536
Advertising and publicity		1,281	3,831
Auditor's remuneration		9,095	9,309
Bad debts		0	100
Bank charges		313	822
Credit card charges		6,462	6,151
Depreciation	12	17,231	15,043
Food and refreshment		6,457	13,681
Gift and prizes		2,742	12,070
General expenses		9,389	15,418
Honorarium		35,935	62,101
Insurance		5,162	5,237
Marketing expenses		66	0
Management and administrative fees		1,350	2,700
Professional fees		48,844	57,564
Printing and stationery		4,970	11,394
Rental			
- Equipment		130	7,820
- Premises		347,413	313,592
Repair and maintenance		10,211	15,634
Renovation expenses		0	365
Staff costs			
- Annual leave		2,245	(5,496)
- Medical fees		786	1,382
- Other benefits		1,685	0
Subscriptions		8,396	6,630
Telecommunication expenses		5,091	5,120
Travelling expenses		9,267	7,039
Utilities		21,350	16,331
Welfare and prizes		7,936	320
		<u>568,838</u>	<u>589,952</u>
Total expenses		<u>1,759,020</u>	<u>1,827,851</u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	Group	
		2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	145,238	115,438
Trade and other receivables	9	160,543	159,191
Inventories	10	6,887	6,245
		<u>312,668</u>	<u>280,874</u>
Non-current assets			
Property, plant and equipment	12	21,933	33,206
Total assets		<u>334,601</u>	<u>314,080</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	201,671	230,836
Income tax payable	7	110	346
		<u>201,781</u>	<u>231,182</u>
Total liabilities		<u>201,781</u>	<u>231,182</u>
NET ASSETS		<u>132,820</u>	<u>82,898</u>
FUND			
Unrestricted fund			
Accumulated fund		<u>132,820</u>	<u>82,898</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018 - COMPANY

	Note	Company	
		2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	107,382	46,868
Trade and other receivables	9	61,187	62,013
Inventories	10	6,887	6,245
		<u>175,456</u>	<u>115,126</u>
Non-current assets			
Investment in a subsidiary	11	5,000	5,000
Property, plant and equipment	12	12,720	23,066
		<u>17,720</u>	<u>28,066</u>
Total assets		<u>193,176</u>	<u>143,192</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	118,666	142,250
Total liabilities		<u>118,666</u>	<u>142,250</u>
NET ASSETS		<u>74,510</u>	<u>942</u>
FUND			
Unrestricted fund			
Accumulated fund		<u>74,510</u>	<u>942</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Group	
	2018	2017
	S\$	S\$
<u>Unrestricted fund</u>		
<u>Accumulated fund</u>		
Balance at beginning of financial year	82,898	76,159
Net income for the year	49,922	6,739
Balance at end of financial year	<u>132,820</u>	<u>82,898</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group	
		2018 S\$	2017 S\$
Cash flows from operating activities			
Net income before income tax		49,922	5,874
Adjustments for:			
- Depreciation	12	17,231	15,043
Operating cash flow before working capital changes		<u>67,153</u>	<u>20,917</u>
Changes in operating assets and liabilities			
- Trade and other receivables		(1,352)	44,238
- Inventories		(642)	2,901
- Trade and other payables		<u>(29,165)</u>	<u>(11,516)</u>
Cash generated from operations		35,994	56,540
Income tax paid	7	<u>(236)</u>	<u>(3,045)</u>
Net cash generated from operating activities		<u>35,758</u>	<u>53,495</u>
Cash flows from investing activities			
Purchases of property, plant and equipment representing net cash used in operating activities	12	<u>(5,958)</u>	<u>(33,188)</u>
Net increase in cash and cash equivalents		29,800	20,307
Cash and cash equivalents at beginning of financial year		<u>115,438</u>	<u>95,131</u>
Cash and cash equivalents at end of financial year	8	<u>145,238</u>	<u>115,438</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 and from 21 November 2017 to 20 May 2018 and subsequent renewed from 21 May 2018 to 20 May 2019.

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.

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.

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

Interpretations and amendments to published standards effective in 2017

On 01 April 2017, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group'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 Group 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 2017 (Cont'd)

New or amended Standards and Interpretations effective after 1 April 2017

The Company has not adopted the following standards that have been issued but not yet effective:

Descriptions	Annual periods commencing on
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 Amendments to: - FRS 109 Prepayment Features with Negative Compensation - FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

Except for FRS 116, the directors believe that the adoption of the revised standards and interpretations do not have material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the FRS116 is described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA.

2. Significant accounting policies (Cont'd)

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 and sponsorship

Donations and sponsorship 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 School fee

School fee is recognised when the service have been performed.

2.2.4 Project and performance income

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

2.2.5 Ticketing sales

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

2.2.6 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.

2.2.7 Management fees

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

2.2.8 Rental income

Rental income is recognised on a straight-line basis over the term of the relevant lease.

2.2.9 Other income

Other income is recognised when incurred.

2. Significant accounting policies (Cont'd)

2.3 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.

2.3.1 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.

2.3.2 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.

2.3.3 Other expenditure

Other expenditure includes the payment of any expenditure that the Group has not been able to analyse within the main expenditure categories.

2.4 Group accounting

2.4.1 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)

2.4 Group accounting (Cont'd)

2.4.1 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 statement of financial activities 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 statement of financial activities.

2.4.2 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. Significant accounting policies (Cont'd)

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 statement of financial activities when the changes arise.

2.5.3 Subsequent expenditure

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

2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in statement of financial activities.

2.6 Investment in a subsidiaries

Investments in subsidiaries 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 statement of financial activities.

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. Significant accounting policies (Cont'd)

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 statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

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

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

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. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

2.9.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group 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 statement of financial activities. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to statement of financial activities.

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 statement of financial activities.

The impairment allowance is reduced through statement of financial activities 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. Significant accounting policies (Cont'd)

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 represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

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.

2.16 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. Significant accounting policies (Cont'd)

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:

- (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.

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 accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the entity's accounting policies

The critical judgements in applying the Group's accounting policies at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

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

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	
	2018	2017
	S\$	S\$
Statement of Financial Activities:		
General fund		
- Donations	7,300	11,551
- Ticketing sales	0	4,000
Total	7,300	15,551

5. Grants

	Group and Company	
	2018	2017
	S\$	S\$
Grants from National Art Council		
- Major grant	310,000	280,000
- Other grants	31,399	112,944
Grants from National Youth Council	95,000	45,000
Other grant	0	5,000
	436,399	442,944

6. Miscellaneous income

	Group	
	2018 S\$	2017 S\$
PIC bonus and cash pay-out	0	2,433
Global Partnership Grant	5,915	0
Wage credit scheme	13,142	18,152
Temporary employment credit	3,022	4,016
Training grant	0	5,000
Others	2,838	3,186
	24,917	32,787

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	
	2018 S\$	2017 S\$
Tax expense attributable to profit is made up of:		
- Current tax expense	0	346
- Overprovision in prior year	0	(1,211)
	0	(865)

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	
	2018 S\$	2017 S\$
Net income before income tax	49,922	5,874
Tax calculated at a tax rate of 17% (2017: 17%)	8,487	999
Effects of:		
- Expenses not deductible for tax purpose	1,410	1,266
- Income not subject to tax	(12,507)	(796)
- Deferred income tax asset not recognised	2,610	0
- Statutory stepped income exemption and tax rebate	0	(4,436)
- Overprovision in prior year	0	(1,211)
- Other	0	3,313
Tax charge	0	(865)

7. Income tax (Cont'd)

	Group	
	2018 S\$	2017 S\$
<i>Movement in current income tax liabilities</i>		
Beginning of financial year	346	4,256
Current income tax	0	346
Overprovision in preceding financial year	0	(1,211)
Income tax paid	(236)	(3,045)
End of financial year	110	346

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group's subsidiary has unrecognised tax loss of \$15,300 (2017: Nil) at the reporting date which can be carried forward and used to offset future taxable income subject to meeting certain statutory requirements. The tax loss has no expiry date.

8. Cash and cash equivalents

	Group		Company	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Cash on hand	2,800	3,085	1,000	1,285
Cash at banks	142,438	112,353	106,382	45,583
	145,238	115,438	107,382	46,868

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

9. Trade and other receivables

	Group		Company	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Trade receivables				
- Third parties	94,635	96,933	8,388	1,315
Other receivables				
- Deposits	49,469	46,469	45,469	45,469
- Other debtors	8,912	593	0	89
- Prepayments	7,527	15,196	7,330	15,140
	160,543	159,191	61,187	62,013

Trade receivables are interest-free and generally collectible within 30 (2017: 30) days' term.

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

10. Inventories

	Group and Company	
	2018	2017
	S\$	S\$
T-shirts, DVDs and towels, at cost	6,887	6,245

The cost of inventories recognised as an expense and included in "Costs of charitable activities" amounted to S\$889 (2017: S\$8,131).

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

11. Investment in a subsidiary

	Company	
	2018	2017
	S\$	S\$
Unquoted shares, at cost	5,000	5,000

Subsidiary	Country of incorporation	Percentage of equity held		Principal activity
		2018	2017	
O2 Pte. Ltd.	Singapore	100%	100%	Event management, production, and design

12. Property, plant and equipment

	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2018				
Group				
Cost				
Beginning of financial year	11,411	56,475	49,331	117,217
Additions	0	5,958	0	5,958
End of financial year	11,411	62,433	49,331	123,175
Accumulated depreciation				
Beginning of financial year	9,039	43,562	31,410	84,011
Depreciation	695	8,247	8,289	17,231
End of financial year	9,734	51,809	39,699	101,242
Carrying amount	1,677	10,624	9,632	21,933

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

2017	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
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>
Carrying amount	<u>2,372</u>	<u>12,913</u>	<u>17,921</u>	<u>33,206</u>

2018	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Company				
Cost				
Beginning and 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	9,039	28,809	31,410	69,258
Depreciation	695	1,362	8,289	10,346
End of financial year	<u>9,734</u>	<u>30,171</u>	<u>39,699</u>	<u>79,604</u>
Carrying amount	<u>1,677</u>	<u>1,411</u>	<u>9,632</u>	<u>12,720</u>

2017	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
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>
Carrying amount	<u>2,372</u>	<u>2,773</u>	<u>17,921</u>	<u>23,066</u>

13. Trade and other payables

	Note	Group		Company	
		2018 S\$	2017 S\$	2018 S\$	2017 S\$
Trade payables					
- Related parties		0	2,351	0	2,351
- Subsidiary		0	0	9,900	0
- Third parties		19,089	3,679	19,089	3,679
		<u>19,089</u>	<u>6,030</u>	<u>28,989</u>	<u>6,030</u>
Other payables:					
- Amount due to a subsidiary	14	0	0	3,450	15,946
- Non-related parties					
- Accruals		120,860	144,785	24,505	40,253
- Deferred income		61,722	80,021	61,722	80,021
		<u>182,582</u>	<u>224,806</u>	<u>89,677</u>	<u>136,220</u>
Total		<u>201,671</u>	<u>230,836</u>	<u>118,666</u>	<u>142,250</u>

Trade payables are interest-free and generally collectible within 30 (2017: 30) days' term.

Amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

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	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<i>Subsidiary- O2 Pte. Ltd.</i>				
<u>Income</u>				
Dance class fees	0	0	(56)	(320)
Rental income	0	0	(30,650)	(35,785)
<u>Expenses</u>				
Contractual services	0	0	2,080	26,925
Event expenses	0	0	187,784	295,605
Marketing expenses	0	0	10,500	0
Income collected on behalf	0	0	35,938	34,157
<i>A director- Low Heng Khuen</i>				
Settlement of interest-free loan	0	50,000	0	0
Honorarium	0	750	0	0

14. Related party transactions (Cont'd)

	Group		Company	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<i>Companies with common director</i>				
<u>Little Big Pre-School Pte Ltd</u>				
Dance class fees	(11,310)	0	0	0
Project income	0	(16,136)	0	0
<u>Samuel Seow Corporate Services Pte Ltd</u>				
Secretarial fees	740	2,063	740	1,583
Professional expenses	3,848	0	0	0
<u>City College Holdings Ltd</u>				
Books and materials	0	2,634	0	2,384
Management services and administrative expenses	1,350	2,700	1,350	2,700
Repair and maintenance	2,400	3,752	2,400	3,752
Training courses	500	0	250	0
Transport expenses	36	0	0	0
<i>Company in which family members of directors have an interest</i>				
<u>Advante Consulting Pte. Ltd.</u>				
Accounting, tax and payroll fees	<u>39,100</u>	<u>45,847</u>	<u>16,987</u>	<u>15,485</u>

The key management personnel compensation for the financial year follows:

	Group	
	2018 S\$	2017 S\$
Salaries and other short-term benefits	42,792	39,000
Director's fee	5,000	0
Post-employment benefits – CPF contributions	7,275	6,630
	<u>55,067</u>	<u>45,630</u>
	2018 S\$	2017 S\$
Cost of charitable activities	32,252	45,630
Other expenses	22,815	0
	<u>55,067</u>	<u>45,630</u>
	2018 No. of key management personnel	2017 No. of key management personnel
Remuneration band (S\$)		
Between S\$1 to S\$50,000	<u>1</u>	<u>1</u>

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	
	2018 S\$	2017 S\$
Not later than one year	194,606	194,606
Later than one year but not later than five years	227,041	32,435
	421,647	227,041
 Operating lease paid	 194,606	 211,025

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 policy and position

The Company's reserve position for financial year ended 31 March 2018 and 2017 are as follows:

	2018 \$'000	2017 \$'000	Increase /(Decrease) %
A Unrestricted Funds			
Accumulated General Funds	75	1	7,400.00
B Restricted or Designated Funds			
Designated Funds	0	0	0.00
Restricted Funds	0	0	0.00
C Endowment Funds	0	0	0.00
D Total Funds	75	1	7,400.00
E Total Annual Operating Expenditure	1,192	1,245	4.26
F Ratio of Funds to Annual Operating Expenditure (A/E)	0.063	0.001	

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 instruments

The financial assets and liabilities of the Group and Company as at the financial reporting date are as follows:

	Group		Company	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Financial assets				
Cash and cash equivalents	145,238	115,438	107,382	46,868
Trade and other receivables (excluding prepayment)	<u>153,016</u>	<u>143,995</u>	<u>53,857</u>	<u>46,873</u>
Loan and receivables	<u>298,254</u>	<u>259,433</u>	<u>161,239</u>	<u>93,741</u>
Financial Liabilities				
Trade and other payables (excluding deferred income) representing financial liabilities carried at amortised cost	<u>139,949</u>	<u>150,815</u>	<u>56,944</u>	<u>62,229</u>

19. 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	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
Current	52,332	96,658	6,768	1,040
Past due but not impaired				
- 31 to 60 days	5,912	0	1,620	0
- 61 days and above	<u>36,391</u>	<u>275</u>	<u>0</u>	<u>275</u>
	<u>94,635</u>	<u>96,933</u>	<u>8,388</u>	<u>1,315</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.

19. 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 from 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	
	2018 S\$	2017 S\$	2018 S\$	2017 S\$
<u>Payable within one year</u>				
<i>Financial liabilities</i>				
Trade and other payables	<u>(139,949)</u>	<u>(150,815)</u>	<u>(56,944)</u>	<u>(62,229)</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.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of the Company on **27 SEP 2018**

O School Ltd.
And Its Subsidiary
[UEN 200905934E]

Audited Financial Statements
Financial Year Ended 31 March 2018

**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 2018

	Company	
	2018 S\$	2017 S\$
INCOME		
<u>Income from generating funds</u>		
Voluntary income		
- Tax exempt donations	7,300	11,551
- Non-tax exempt donations	5,000	800
- Grants	436,399	442,944
	<u>448,699</u>	<u>455,295</u>
<u>Income from charitable activities</u>		
Dance class fees	601,375	584,702
Project and performance income	14,321	13,523
Sale of goods	1,810	7,768
Ticketing sales	84,084	73,113
	<u>701,590</u>	<u>679,106</u>
<u>Other income</u>		
Rental income	91,206	69,937
Miscellaneous income	6,704	9,360
Sponsorship income	17,500	0
	<u>115,410</u>	<u>79,297</u>
Total income	<u>1,265,699</u>	<u>1,213,698</u>
EXPENSES		
<u>Cost of charitable activities</u>	751,254	828,693
<u>Governance and administrative costs</u>	440,877	416,524
Total expenses	<u>1,192,131</u>	<u>1,245,217</u>
NET INCOME/(EXPENDITURE)	<u>73,568</u>	<u>(31,519)</u>

FOR MANAGEMENT PURPOSES ONLY
DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH
2018 (CONT'D)

	2018	Company	2017
	S\$		S\$
EXPENSES			
<u>Cost of charitable activities</u>			
Accommodation	1,123		6,476
Contractual services	114,380		153,042
Event expenses	236,870		300,854
Honorarium	2,750		8,550
Merchandise	889		8,131
Props and costumes	11,348		20,664
Rental of premises	27,665		53,929
Staff costs			
- CPF and SDL contributions	47,642		33,673
- Director's remuneration			
- CPF and SDL contributions	3,960		6,630
- Salaries and bonuses	23,292		39,000
- Fee	5,000		0
- Salaries and bonuses	274,552		194,829
- Staff benefits	200		0
- Training and seminars	1,583		2,915
	751,254		828,693
<u>Governance and administrative costs</u>			
Accessories and supplies	1,272		4,029
Advertising and publicity	450		497
Auditor's remuneration	6,206		6,420
Bank charges	89		110
Credit card charges	4,043		3,701
Depreciation	10,346		7,691
Food and refreshment	5,168		6,480
General expenses	6,756		13,307
Insurance	3,310		3,820
Legal and professional fee	20,175		23,083
Management and administrative fees	1,350		2,700
Marketing expenses	10,566		0
Printing and stationery	3,442		4,358
Rental			
- Premises	306,513		295,927
Repair and maintenance	10,211		15,634
Renovation expenses	0		365
Staff costs			
- Annual leave	0		(3,720)
- Medical fees	636		914
Subscription fees	8,396		6,630
Telecommunication expenses	5,091		5,120
Travelling expenses	7,571		2,807
Utilities	21,350		16,331
Welfare and prizes	7,936		320
	440,877		416,524
Total expenses	1,192,131		1,245,217