O SCHOOL LTD.
[UEN. 200905934E]
AND ITS SUBSIDIARY

[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 2020

CONTENTS

Fiducia LLP
(UEN. T10LL0955L)
Public Accountants and
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DIRECTORS' STATEMENT

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

The directors present their statement to the members together with the consolidated audited financial statements of O School Ltd. (the "Company") and its subsidiary (collectively the "Group") for the financial year ended 31 March 2020 and the statement of financial position of the Company as at 31 March 2020.

In the opinion of the directors,

a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2020 and the financial performance, changes in fund and cash flows of the Group for the financial year then ended; and

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

Directors

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

Low Heng Khuen
June Chiam Wei Wei
Chan Choon Yew, Lester
Matthias Yeo Chiow Leng
Elim Chew Soo (Appointed on 13 August 2019)

Arrangements to enable the directors to acquire shares and debentures

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

Other matters

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

Independent auditor

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

On behalf of the Board of Directors,

DocuSigned by:
A906B1334EF64F6...
Low Heng Khuen
Director

DocuSigned by:
63CFE5B01729437...
June Chiam Wei Wei
Director

Singapore, 12 OCT 2020

INDEPENDENT AUDITOR'S REPORT

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of O School Ltd. (the "Company") and its subsidiary (collectively the "Group"), which comprise the statement of financial position of the Group and of the Company as at 31 March 2020, and the consolidated statement of financial activities, statement of changes in fund and statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2020, and of the financial performance, changes in fund and cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 Directors' Statement but does not include the financial statements and 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.

Responsibilities of Management and Those Charged with Governanace 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.

- 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 to be kept by the Company and by its subsidiary corporation 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.

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

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

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

Fiducia LLP

Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **12 OCT 2020**

Partner-in-charge: Soo Hon Weng
PAB No.: 01089

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

	NOTE	GROUP 2020	GROUP 2019
INCOME			
Income from generating funds			
Voluntary income			
Tax-exempt donations	5	2,790	13,688
Non-tax exempt donations		-	5,240
Grants	6	428,928	530,659
Total income from generating funds		**431,718**	**549,587**
Income from charitable activities			
Dance class fees	4	506,379	544,864
Project and performance income	4	75,824	39,649
Sale of merchandise	4	-	178
Event income	4	157,720	60,364
Total income from charitable activities		**739,923**	**645,055**
Other income			
Dance class fees		120,302	129,519
Miscellaneous income	7	13,143	14,386
Project and performance income		171,991	152,767
Rental income		38,965	53,319
Sale of goods		45	105
School income		366,715	371,692
Sponsorship income		9,000	-
Ticketing sales		-	19,416
Total other income		**720,161**	**741,204**
Total income		**1,891,802**	**1,935,846**
EXPENSES			
Cost of charitable activities	8	849,102	736,548
Other expenses	8	600,242	648,668
Governance and administrative costs	8	451,895	542,012
Finance cost	8	20,158	-
Total expenses		**1,921,397**	**1,927,228**
NET (LOSS) / INCOME BEFORE INCOME TAX		(29,595)	8,618
INCOME TAX			
Income tax benefit	9	-	334
NET (LOSS) / INCOME FOR THE FINANCIAL YEAR		(29,595)	8,952
GENERAL FUND BROUGHT FORWARD		141,772	132,820
GENERAL FUND CARRIED FORWARD		112,177	141,772

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

STATEMENTS OF FINANCIAL POSITION

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
ASSETS					
Current assets					
Cash and cash equivalents	10	170,348	159,930	84,056	86,037
Trade and other receivables	11	137,399	167,310	85,443	108,373
Inventories	12	7,793	7,276	6,776	6,776
Total current assets		**315,540**	**334,516**	**176,275**	**201,186**
Non-current assets					
Investment in subsidiary	13	-	-	5,000	5,000
Property, plant and equipment	14	321,433	10,197	318,978	6,315
Total non- current assets		**321,433**	**10,197**	**323,978**	**11,315**
Total assets		**636,973**	**344,713**	**500,253**	**212,501**
LIABILITIES					
Current liabilities					
Trade and other payables	15	170,180	130,317	97,838	58,401
Contract liabilities	4	65,897	72,624	58,857	64,686
Lease liabilities	16	134,500	-	134,500	-
Total current liabilities		**370,577**	**202,941**	**291,195**	**123,087**
Non-current liability					
Lease liabilities	16	154,219	-	154,219	-
Total liabilities		**524,796**	**202,941**	**445,414**	**123,087**
NET ASSETS		112,177	141,772	54,839	89,414
FUND					
Unrestricted fund					
Accumulated fund		112,177	141,772	54,839	89,414
TOTAL FUND		112,177	141,772	54,839	89,414

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

CONSOLIDATED STATEMENT OF CHANGES IN FUND

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

	GROUP 2020	GROUP 2019
UNRESTRICTED FUND		
Accumulated fund		
Balance at beginning of financial year	141,772	132,820
Net income for the financial year	(29,595)	8,952
Balance at end of financial year	**112,177**	**141,772**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

	NOTE	GROUP 2020	GROUP 2019
Cash flows from operating activities			
Net (loss) / income before income tax		(29,595)	8,618
Adjustment for:			
Depreciation	14	153,625	14,692
Interest expense on lease liabilities	17	20,158	-
Operating cash flow before changes in working capital		144,188	23,310
Changes in working capital			
Trade and other receivables		29,911	(6,767)
Inventories		(517)	(389)
Trade and other payables		39,863	1,270
Contract liabilities		(6,727)	-
Cash generated from operations		206,718	17,424
Income tax refunded	9	-	224
Net cash generated from operating activities		**206,718**	**17,648**
Cash flows from investing activity			
Purchase of property, plant and equipment, representing net cash used in investing activity		(1,694)	(2,956)
Cash flows from financing activities			
Payment of principal portion of of lease liabilities		(174,448)	-
Interest paid		(20,158)	-
Net cash used in financing activities		**(194,606)**	-
Net increase in cash and cash equivalents		**10,418**	**14,692**
Cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		159,930	145,238
Cash and cash equivalents at end of financial year (Note 10)		170,348	159,930
Net change in cash and cash equivalents		**10,418**	**14,692**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

O School Ltd. [UEN. 200905934E] and Its Subsidiary
For the year ended 31 March 2020

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 1 October 2019 to 31 March 2021.

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 is discussed in Note 13.

2. Significant accounting policies

2.1 Basis of preparation

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

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

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement 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 judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2020

The Group has adopted the new or revised FRSs and interpretations to FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 April 2019.

Except for the adoption of FRS 116 Leases as described below, the adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Group's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

<u>Adoption of FRS 116 Leases</u>

The Group has adopted the new standard using the modified retrospective method with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of accumulated fund. The Group has recognised the right-of-use assets for the leases based on an amount equal to the lease liability, as a result of this, no adjustment to the opening balance of accumulated fund was provided at the date of initial adoption as of 1 April 2019. The Group elected to use the transition practical expedient to not assess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

Lease previously accounted for as operating leases

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the consolidated statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis. The Group's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.5.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on an amount equal to the lease liability, adjusted for previously recognised prepaid or accrued lease payments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- right-of-use assets of S$463,167 were recognised and presented within property, plant and equipment; and
- lease liabilities of S$463,167 were recognised.

The following is the reconciliation of the impact arising from initial application of the new FRS 116 on 1 April 2019 to the consolidated financial statements of the Group:

	1 April 2019 (As reported) S$	FRS 116 adjustments S$	1 April 2019 (As restated) S$
Consolidated statement of financial position			
Property, plant and equipment	10,197	463,167	473,364
Lease liabilities - current	0	(174,448)	(174,448)
Lease liabilities - non-current	0	(288,719)	(288,719)

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	S$
Operating lease commitments as at 31 March 2019	227,041
Add: Extension of lease agreement	273,132
Less: Discounting effect using incremental borrowing rate of 5.25%	(37,006)
Lease liabilities as at 1 April 2019	463,167

New or amended Standards and Interpretations not yet effective

The Group has not adopted the following standards and amendments to FRSs that have been issued but not yet effective.

Description	Effective for annual periods commencing on
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 103 Definition of a Business	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 January 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 116 Covid-19 – Related Rent Concession	1 June 2020

The directors expect that the adoption of the revised standards above will have no material impact on the financial statements in the year of initial adoption.

2.2 Income recognition

Income is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

2.2.1 Donations 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 School fee and dance class fee

School fee and dance class fee are recognised when the service has been performed.

2.2.3 Project and performance income

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

2.2.4 Ticketing sales

Revenue from sale of tickets is recognised when the production/service has 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 for events are recognised when services are rendered and the fees are accepted.

2.2.7 Rental income

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

2.2.8 Other income

Other income is recognised when received.

2.3 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 Group will comply with all the attached conditions.

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.

2.4.3 Other expenditure

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

2.5 Leases

The accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

When the Group is the lessee:

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 consolidated statement of financial activities 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 consolidated statement of financial activities.

The accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

When the Group is the lessee:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

a) Right-of-use assets

The Group recognised a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.14. The Group's right-of-use assets are presented within "Property, plant and equipment" as disclosed in Note 14.

b) Lease liabilities

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

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

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

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

The Group's lease liabilities are disclosed in Note 16.

c) Short-term leases and leases of low-value assets

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

d) Variable lease payments

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

2.6 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the consolidated statement of financial activities in the period in which they are incurred.

2.7 Employee compensation

2.7.1 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 contributions to defined contribution plans are recognised as employee compensation expense when they are due.

2.7.2 Employee leaves 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 reporting date.

2.8 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting 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 an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

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:

a) 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 reporting date; and

b) based on the tax consequence that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the consolidated statement of financial activities, except to the extent that the tax arises from a transaction which is recognised directly in fund.

2.9 Financial assets

2.9.1 Classification and measurement

The Group classifies its financial assets as at amortised cost category.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

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

(i) At initial recognition

At initial recognition, the Group measures a financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

(ii) At subsequent measurement

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

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

(iii) Impairment

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

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

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

(iv) 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 debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the consolidated statement of financial activities.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with a financial institution that are subject to an insignificant risk of change in value.

2.11 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 represents the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary cost to make the sale.

2.12 Property, plant and equipment

2.12.1 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.

2.12.2 Depreciation

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

Furniture and fittings - 5 years
Office equipment - 3 years
Renovation - 3 years
Premises - over the remaining lease term

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

2.12.3 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 consolidated statement of financial activities when incurred.

2.12.4 Disposal

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

2.13 Group accounting

2.13.1 Consolidation

Subsidiary is an entity over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of voting rights. The existence and effect of potential voting rights are currently exercisable or convertible is considered when assessing whether the Company controls another entity. A subsidiary is consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date on which 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 the subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

2.13.2 Acquisition of business

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

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

Acquisition-related costs are expensed as incurred.

2.13.3 Disposals

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. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to the consolidated statement of financial activities or transferred directly to accumulated fund if required by a specific Standard.

Any accumulated fund interest in the entity is remeasured at fair value. The difference between the carrying amount of the accumulated fund interest at the date when control is lost and its fair value is recognised in the consolidated statement of financial activities.

2.14 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated statement of financial activities.

An impairment loss for an asset is reversed if and only if, there has been a change in the estimates used to determine the assets 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 accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the consolidated statement of financial activities.

2.15 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 consolidated statement of financial activites. Financial liabilities include "Trade and other payables" and "Lease liabilities" in the consolidated statement of financial position.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the consolidated statement of financial activities.

2.16 Trade and other payables

Trade and other payables represent liabilities for 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 (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

2.17 Provision 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.

2.18 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.

2.19 Events after the reporting period

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements 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.

3.1 Critical accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, the management has made certain judgement, apart from those involving estimations, which has significant effect on the amounts recognised in the financial statements.

3.2.1 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 theses 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. Revenue from contracts with customers

	NOTE	GROUP 2020	GROUP 2019
Disaggregation of revenue from contracts with customers			
Revenue			
Donations		2,790	18,928
Event income		157,720	60,364
Dance class fees		506,379	544,864
Project and performance income		75,824	39,649
Sale of merchandise		-	178
Other income		720,161	741,204
Total		**1,462,874**	**1,405,187**

	NOTE	GROUP 2020	GROUP 2019
Timing of transfer of goods or services			
At a point in time		803,866	751,209
Over time		659,008	653,978
Total		**1,462,874**	**1,405,187**

	NOTE	GROUP 2020	GROUP 2019
Contract liabilities			
Amounts received in advance for dance fees and registration fees relates to dance course registrations	15	65,897	72,624
Income recognised in relation to contract liabilities		72,624	61,722

The contract liabilities relate to the dance fees for the unsatisfied performance obligation in providing dance courses. Revenue will be recognised when services are rendered over the course period.

There is no significant change in contract liabilities balances.

5. Tax deductible receipts

Tax deductible receipts issued by the Company for donations received during the financial year, pursuant to its IPC status, are recorded as follows:

	NOTE	GROUP 2020	GROUP 2019
General fund			
Tax exempt donations		2,790	13,688

	NOTE	GROUP 2020	GROUP 2019

6. Grants

	NOTE	GROUP 2020	GROUP 2019
Grants from National Art Council - major grants		310,000	310,000
Grants from National Art Council - other grants		18,928	48,871
Grants from National Youth Council		100,000	171,788
Total		**428,928**	**530,659**

7. Miscellaneous income

	NOTE	GROUP 2020	GROUP 2019
Productivity and innovation credit		-	1,353
Temporary employment credit		-	1,108
Wage credit scheme		12,687	9,502
Others		456	2,423
Total		**13,143**	**14,386**

8. Expenses by function

	NOTE	GROUP 2020	GROUP 2019
Cost of charitable activities			
Accommodation		8,172	11,844
Air passage		13,973	10,341
Contractual services		159,875	187,834
Event		161,536	59,624
Honorarium		13,420	20,020
Props and costumes		13,072	1,464
Rental - equipment		104,400	122,952
Rental of premises		27,637	4,619
Staff costs - CPF and SDL contributions		43,051	39,318
Staff costs - director's remuneration	18	54,703	53,352
Staff costs - salaries and bonuses		248,797	224,205
Staff costs - staff benefits		200	-
Staff costs - training and seminars		266	864
Others		-	111
Total cost of charitable activities		**849,102**	**736,548**
Other expenses			
Air passage		-	1,874
Contractual services		403,030	374,192
Event		3,931	12,833
Props and costumes		1,727	18,428
Staff cost - CPF and SDL contributions		28,147	35,075
Staff cost - salaries and bonuses		163,407	204,334
Staff cost - training and seminars		-	1,932
Total other expenses		**600,242**	**648,668**

	NOTE	GROUP 2020	GROUP 2019

8. Expenses by function (Cont'd)

Governance and administrative costs	NOTE	GROUP 2020	GROUP 2019
Accessories and supplies		712	11,787
Accommodation		-	-
Advertising and publicity		19,057	1,860
Auditor's remuneration		12,840	10,058
Bad debts written off		1,525	-
Bank charges		616	636
Credit card charges		1,937	6,727
Depreciation	14	153,625	14,692
Food and refreshment		11,651	10,349
Gift and prizes		624	1,626
General expenses		18,641	9,291
Honorarium		70	5,398
Insurance		7,073	5,158
Marketing		2,396	3,224
Professional fees		42,434	48,202
Printing and stationery		1,827	5,435
Rental - equipment		-	1,856
Rental - premises		107,530	324,244
Repair and maintenance		11,892	8,069
Staff costs - annual leave		2,094	7,196
Staff costs - medical fees		218	561
Subscriptions		11,915	10,504
Telecommunication		2,089	3,839
Travelling		4,461	5,528
Utilities		22,615	27,050
Welfare and prizes		14,053	18,722
Total governance and administrative costs		**451,895**	**542,012**

Finance cost	NOTE	GROUP 2020	GROUP 2019
Interest on lease liabilities		20,158	-

9. 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 loss before income tax attributable to its subsidiary.

	NOTE	GROUP 2020	GROUP 2019

9.1 Income tax benefit

Tax benefit attributable to net income is made up of:	NOTE	GROUP 2020	GROUP 2019
Over-provision in prior year		-	(334)

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

	NOTE	GROUP 2020	GROUP 2019
Reconciliation of income tax			
Net (loss) / income before income tax		(29,595)	8,618
Tax calculated at tax rate of 17%		(5,031)	1,465
Effects of:			
Expenses not deductible for tax purpose		6,680	1,269
Income not subject to tax		-	(2,766)
Deferred tax asset not recognised		-	32
Over-provision in prior year		-	(334)
Utilisation of unabsorbed tax losses		(1,649)	-
Tax benefit		-	(334)

	NOTE	GROUP 2020	GROUP 2019
9.2 Current income tax liability			
The movement of the account is as follows:			
Beginning of financial year		-	110
Over-provision in preceding financial year		-	(334)
Income tax paid		-	224
End of financial year		-	-

At the reporting date, the Group has an unabsorbed tax losses amounting to approximately S$22,000 (2019: S$31,700). The availability of the tax losses for offset against future taxable income for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to agreement by the Singapore Comptroller of Income Tax and the requirement under Section 23 and 37 of Singapore Income Tax Act.

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
10. Cash and cash equivalents					
Cash in hand		1,008	2,800	1,008	1,000
Cash at bank		169,340	157,130	83,048	85,037
Total cash and cash equivalents		**170,348**	**159,930**	**84,056**	**86,037**

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

11. Trade and other receivables

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Trade receivables					
Subsidiary		-	-	-	18,285
Third parties		68,007	83,639	38,557	11,941
Total trade receivables		**68,007**	**83,639**	**38,557**	**30,226**
Other receivables					
Deposits		47,559	62,127	45,469	60,127
Grant receivables		17,224	18,020	-	18,020
Non-trade debtors		2,832	1,408	1,417	-
Prepayments		1,777	2,116	-	-
Total other receivables		**69,392**	**83,671**	**46,886**	**78,147**
Total trade and other receivables		**137,399**	**167,310**	**85,443**	**108,373**

Trade receivables are interest-free and are generally repayable within 30 (2019: 30) days' term.

Grant receivables include the Job Support Scheme granted by the Singapore government to support businesses affected by the pandemic.

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

Movement of allowance for impairment

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Balance at beginning of financial year		-	-	-	-
Allowance for the year		1,525	-	-	-
Bad debts written off	8	(1,525)	-	-	-
Balance at end of financial year		-	-	-	-

12. Inventories

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
T-shirts, DVDs and towels - at cost		7,793	7,276	6,776	6,776

The cost of inventories recognised as an expense in the consolidated statement of financial activities amounted to S$1,236 (2019: S$159).

13. Investment in subsidiary

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Unquoted shares, at cost					
Balance at the beginning and end of financial year		-	-	5,000	5,000

Details of the subsidiary are as follows:

O2 Pte. Ltd. is incorporated and domiciled in Singapore. The principal activities of the subsidiary are event management, production, design and agency work and agents for artists, athletes, models and other performers.

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Equity held					
O2 Pte. Ltd.					
Percentage equity held (%)		-	-	100	100

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
14. Property, plant and equipment					
Furniture and fittings					
Cost					
Beginning and end of financial year		11,411	11,411	11,411	11,411
Accumulated depreciation					
Beginning of financial year		10,428	9,734	10,428	9,734
Depreciation		695	694	695	694
End of financial year		**11,123**	**10,428**	**11,123**	**10,428**
Carrying amount		288	983	288	983
Office equipment					
Cost					
Beginning of financial year		62,689	62,433	31,838	31,582
Additions		1,694	256	-	256
End of financial year		**64,383**	**62,689**	**31,838**	**31,838**
Accumulated depreciation					
Beginning of financial year		58,264	51,809	31,295	30,171
Depreciation		3,528	6,455	407	1,124
End of financial year		**61,792**	**58,264**	**31,702**	**31,295**
Carrying amount		2,591	4,425	136	543
Renovation					
Cost					
Beginning of financial year		52,031	49,331	52,031	49,331
Additions		-	2,700	-	2,700
End of financial year		**52,031**	**52,031**	**52,031**	**52,031**
Accumulated depreciation					
Beginning of financial year		47,242	39,699	47,242	39,699
Depreciation		3,139	7,543	3,139	7,543
End of financial year		**50,381**	**47,242**	**50,381**	**47,242**
Carrying amount		1,650	4,789	1,650	4,789

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Premises - Right-of-use assets					
Cost					
Beginning of financial year (as reported)		-	-	-	-
Effect of adopting FRS 116		463,167	-	463,167	-
Beginning of financial year (as restated)		463,167	-	463,167	-
Additions		-	-	-	-
End of financial year		463,167	-	463,167	-
Accumulated depreciation					
Beginning of financial year		-	-	-	-
Depreciation		146,263	-	146,263	-
End of financial year		**146,263**	-	**146,263**	-
Carrying amount		316,904	-	316,904	-
Total					
Cost					
Beginning of financial year (as reported)		126,131	123,175	95,280	92,324
Effect of adopting FRS 116		463,167	-	463,167	-
Beginning of financial year (as restated)		589,298	123,175	558,447	92,324
Additions		1,694	2,956	-	2,956
End of financial year		590,992	126,131	558,447	95,280
Accumulated depreciation					
Beginning of financial year		115,934	101,242	88,965	79,604
Depreciation		153,625	14,692	150,504	9,361
End of financial year		**269,559**	**115,934**	**239,469**	**88,965**
Carrying amount					
Beginning of financial year (as reported)		10,197	21,933	6,315	12,720
Beginning of financial year (as restated)		473,364	-	-	-
End of financial year		321,433	10,197	318,978	6,315

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

15. Trade and other payables

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Trade payables					
Third parties		39,639	15,627	10,433	15,627
Other payables					
Accruals		98,041	99,710	74,028	14,022
Amount due to a subsidiary		-	-	2,734	15,910
Deferred grant income - JSS		17,224	-	-	-
Provision for unutilised leave		7,767	8,025	7,767	5,887
Non-trade creditors		7,509	6,955	2,876	6,955
Total other payables		**130,541**	**114,690**	**87,405**	**42,774**
Total trade and other payables		**170,180**	**130,317**	**97,838**	**58,401**

Trade payables are interest-free and are generally repayable within 30 (2019: 30) days' term.

Deferred grant income is related to the grant receivables on the Job Support Scheme in Note 11.

The non-trade amount due to a subsidiary is unsecured, interest-free and is repayable on demand.

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

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
16. Lease liabilities					
Current		134,500	-	134,500	-
Non-current		154,219	-	154,219	-
Total		**288,719**	-	**288,719**	-

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2019 S$	Cash flows S$	Non-cash changes Accretion of interest S$	 Other S$	31 March 2020 S$
Liabilities					
Lease liabilities					
- Current	174,448	(194,606)	20,158	134,500	134,500
- Non-current	288,719	0	0	(134,500)	154,219
Total	463,167	(194,606)	20,158	0	288,719

17. Leases

The carrying amount of right-of-use assets classified within property, plant and equipment is as follows:

	Premises S$
At 1 April 2019	463,167
Depreciation	(146,263)
At 31 March 2020	316,904

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Amount recognised in the consolidated statement of financial activities					
Depreciation of right-of-use assets		146,263	-	146,263	-
Interest on lease liabilities		20,158	-	20,158	-
Total		**166,421**	-	**166,421**	-

Total cash outflow:

The Group had total cash outflows for leases of S$194,606 in 2020.

18. Related party transactions

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

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Transactions with related parties:					
Subsidiary					
O2 Pte. Ltd.					
Income					
Dance class fees		-	-	-	(210)
Project income		-	-	-	(3,500)
Rental income		-	-	(39,125)	(40,520)
Expenses					
Contractual services		-	-	-	7,022
Event		-	-	28,900	73,720
Marketing		-	-	-	5,850
Income collected on behalf of the Company		-	-	107,568	98,338
Expenses paid on behalf of the Subsidiary		-	-	847	-
Company in which family members of directors have an interest					
Advante Consulting Pte Ltd					
Donations		(1,100)	(10,000)	(1,100)	(10,000)
Accounting, tax and payroll fees		37,571	37,389	16,416	16,021
A director					
Low Heng Khuen					
Claims and reimbursements		864	3,076	664	2,451

(b) The key management personnel compensation for the financial year was as follows:

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Key management personnel compensation					
Director's remuneration					
Salaries and other short-term benefits		46,754	45,600	46,754	45,600
Post-employment benefits – CPF contributions		7,949	7,752	7,949	7,752
Total		**54,703**	**53,352**	**54,703**	**53,352**
Director's remuneration charged to the following expense class					
Cost of charitable activities	8	54,703	53,352	54,703	53,352

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Remuneration band (less than S$50,000)					
Number of key management personnel		1	1	1	1

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

19. 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.

20. Operating lease commitments

At the reporting date, the Group has commitments for future minimum lease payments under non-cancellable operating leases with a third party as follows:

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Future minimum lease payments					
Not later than one year		-	194,606	-	194,606
More than one year but not more than five years		-	32,435	-	32,435
Total		-	**227,041**	-	**227,041**

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.

As disclosed in Note 2.1.1, the Company has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 March 2020, except for short-term and low-value assets.

21. Reserve policy and position

The Company's reserve position for financial year ended 31 March 2020 and 2019 are as follows:

	2020	2019	Increase/(Decrease)
	S$'000	S$'000	%
(A) Unrestricted fund - Accumulated fund	55	89	(38.20)
(B) Restricted or designated funds	0	0	N/A
(C) Endowment fund	0	0	N/A
(D) Total funds	55	89	(38.20)
(E) Total annual operating expenditure	1,302	1,290	0.93
(F) Ratio of funds to annual operating expenditure (A/E)	0.042	0.069	

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.

22. Financial instruments by category

The aggregate carrying amounts financial assets and financial laiblities at amortised costs are as follows:

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Financial instruments					
Financial assets, at amortised cost					
Cash and cash equivalents		170,348	159,930	84,056	86,037
Trade and other receivables (excluding prepayments)		135,622	165,194	85,443	108,373
Total		**305,970**	**325,124**	**169,499**	**194,410**
Financial liabilities, at amortised cost					
Trade and other payables (excluding provision for unutilised leave)		162,413	122,292	90,071	52,514
Lease liabilities		288,719	-	288,719	-
Total		**451,132**	**122,292**	**378,790**	**52,514**

23. Financial risk management

The Group's activities expose it mainly to liquidity risk and credit risk.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement and exposure limits and hedging strategies, in accordance with the objectives and underlying principle approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

23.1 Liquidity risk

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

The Group adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Within one year					
Financial assets, at amortised cost					
Cash and cash equivalents		170,348	159,930	84,056	86,037
Trade and other receivables (excluding prepayments)		135,622	165,194	85,443	108,373
Total		**305,970**	**325,124**	**169,499**	**194,410**
Financial liability, at amortised cost					
Trade and other payables (excluding provision for unutilised leave)		(162,413)	(122,292)	(90,071)	(52,514)
Lease liabilities		(146,240)	-	(146,240)	-
Total		**(308,653)**	**(122,292)**	**(236,311)**	**(52,514)**

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Later than one year but not later than five years					
Financial liability, at amortised cost					
Lease liabilities		(159,327)	-	(159,327)	-

23.2 Credit risk

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

The Group has minimal exposure to credit risks due to the nature of its activities.

i) Risk management

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

The Group has no significant concentration on credit risk.

ii) Impairment of financial assets

The Group does not expect to incur material credit losses on its risk management of financial assets.

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group.

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit loss rates, trade receivables are grouped based on shared credit risk characteristics and days past due.

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

	NOTE	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Trade receivables aging analysis					
Current		33,392	73,211	5,457	16,101
Past due but not impaired					
Within 30 days		8,616	7,813	7,176	9,400
31 to 60 days		999	1,090	924	1,350
61 days and above		25,000	1,525	25,000	3,375
Total trade receivables		**68,007**	**83,639**	**38,557**	**30,226**

In calculating the expected credit loss rates, the Group considers historical rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no receivable expectation of recovery, such as debtors failing to engage in repayment plant with the Group. The Group considers a financial asset as default if the counterparty fails to make contractual payments within a year when they fall due, and writes off the financial asset when a debtor fails to make contractual payments despite the Group's effort to collect the financial asset after a year past due. When receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the consolidated statement of financial activities.

The Group has provided credit loss allowance amounting to S$1,525 (2019: Nil) and subsequently written off as at 31 March 2020 and 2019, respectively.

24. 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.

The carrying amounts of lease liabilities approximate their fair values as they are subject to interest rate close to market rate of interests for similar arrangements with financial institutions.

25. Events occuring after the reporting date

The novel coronavirus (COVID-19) outbreak in early 2020 did not have a material impact on the performance of the Group. However, since the outbreak was declared a Public Health Emergency of International Concern, the measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered a disruption to the Group's activities resulting in the rescheduling of its projects and events.

The Directors determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of activities as of and for the year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the government's responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for future periods.

26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on **12 OCT 2020**