

**ARTSWOK COLLABORATIVE LIMITED**  
(Company Registration Number: 201432448C)  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2022**

**ARTWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

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**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of Artswok Collaborative Limited (the "Charity") for the financial year ended 31 March 2022.

**OPINION OF THE DIRECTORS**

In the opinion of the directors:-

- (a) the financial statements of the Charity are drawn up so as to give a true and fair view of the financial position of the Charity as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Charity for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

**DIRECTORS**

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

Ngiam Su-Lin  
Charlene Delia Jeyamani Rajendram  
Ko Siew Huey  
Patsian Low @ Nuha Maya Low  
Lee Hing Giap Justin

**ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS**

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 object 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 MATTER**

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

**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT (CONT'D)**

**AUDITORS**

KBW Assurance LLP has expressed its willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



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Ngiam Su-Lin  
Director



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Ko Siew Huey  
Director

Singapore,

15 SEP 2022

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**Report on the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of Artswok Collaborative Limited (the "Charity") which comprise the statements of financial position as at 31 March 2022, statements of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows of the Charity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 1967 (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 Charity as at 31 March 2022 and of the financial performance, changes in the funds and cash flows of the Charity for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standard on Auditing ("SSAs"). Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity 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 set out on pages 1 to 2.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ARTSWOK COLLABORATIVE LIMITED (CONT'D)**  
(Incorporated in the Republic of Singapore)

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Charity's financial reporting process.

*Auditors' 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 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ARTSWOK COLLABORATIVE LIMITED (CONT'D)**  
(Incorporated in the Republic of Singapore)

*Auditors' 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 Charity'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 Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

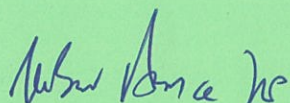
**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Charity 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 Charity 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 Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations
- (c) the Charity has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ARTSWOK COLLABORATIVE LIMITED (CONT'D)**  
(Incorporated in the Republic of Singapore)



**KBW ASSURANCE LLP**  
Public Accountants and  
Chartered Accountants

Singapore,

15 SEP 2022

Partner-in-charge: Khoo Boon Wah



**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022 S\$	2021 S\$
<b>Revenue</b>	4	563,928	770,952
Cost of service	5	(141,594)	(121,594)
Gross profit		422,334	649,358
Other income	6	18,813	576
Finance cost	7	(559)	(548)
Administrative expenses		(437,683)	(372,569)
Profit before tax	8	2,905	276,817
Income tax expense	9	-	-
<b>Profit for the year, representing total comprehensive income for the financial year</b>		2,905	276,817

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

**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

ASSETS	Note	2022 S\$	2021 S\$
<b>Non-Current assets</b>			
Plant and equipment	10	2,846	2,127
Right-of-use assets	11	7,725	13,519
		<u>10,571</u>	<u>15,646</u>
<b>Current assets</b>			
Trade and other receivables	12	30,366	18,404
Cash and cash equivalents	13	565,361	572,685
		<u>595,727</u>	<u>591,089</u>
<b>Total assets</b>		<u><b>606,298</b></u>	<u><b>606,735</b></u>
 <b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated fund		584,294	581,389
<b>Equity attributable to owners of the Company</b>		<u>584,294</u>	<u>581,389</u>
<b>Non-Current liabilities</b>			
Lease liabilities	14	2,069	8,063
		<u>2,069</u>	<u>8,063</u>
<b>Current liabilities</b>			
Trade and other payables	15	13,941	11,594
Lease liabilities	14	5,994	5,689
		<u>19,935</u>	<u>17,283</u>
<b>Total equity and liabilities</b>		<u><b>606,298</b></u>	<u><b>606,735</b></u>

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

**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	<b>Accumulated fund S\$</b>	<b>Total S\$</b>
<b>Balance as at 31 March 2020</b>	304,572	304,572
Profit for the year, representing total comprehensive income for the year	276,817	276,817
<b>Balance as at 31 March 2021</b>	<hr/> 581,389	<hr/> 581,389
Profit for the year, representing total comprehensive income for the year	2,905	2,905
<b>Balance as at 31 March 2022</b>	<hr/> <hr/> 584,294	<hr/> <hr/> 584,294

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

**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022 S\$	2021 S\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		2,905	276,817
Adjustments for:			
Rental relief		(520)	(576)
Depreciation of plant and equipment	10	3,149	2,618
Depreciation of right-of-use assets	11	5,794	5,932
Interest expenses		560	548
Operating profit before changes in working capital		11,888	285,339
<i>Changes in working capital:</i>			
(Increase)/ Decrease in other receivables		(11,962)	(3,000)
(Decrease)/ Increase in trade and other payables		2,347	(2,012)
<b>Net cash generated from operating activities</b>		<b>2,273</b>	<b>280,327</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Purchase of plant and equipment, <b>representing net cash used in investing activity</b>	10	(3,868)	(464)
 <b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Repayment of lease liabilities, <b>representing net cash used in financing activity</b>		(5,729)	(5,671)
Net (decrease)/ increase in cash and cash equivalents		(7,324)	274,192
Cash and cash equivalents at the beginning of financial year		572,685	298,493
<b>Cash and cash equivalents at the end of financial year</b>	13	<b>565,361</b>	<b>572,685</b>

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

**ARTSWOK COLLABORATIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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

**1. CORPORATE INFORMATION**

Artswok Collaborative Limited (the “Charity”) is a limited by guarantee which incorporated and domiciled in the Singapore with its registered office and principal place of business at Goodman Arts Centre, 90 Goodman Road, Blk B #03-07, Singapore 439053.

The Charity was registered as charity under the Charities Act, Chapter 37 on 29 September 2015. The Charity’s Institution of a Public Charter (“IPC”) status was granted for period from 1 December 2021 to 30 November 2023.

The principal activities of the Charity are as follow:

- To work with multidisciplinary teams to design and implement arts-based civic engagement projects.
- To pilot innovative arts programmes in community settings
- To convene a community of practice and to conduct networking and training
- To conduct research and advocacy in the field of arts-based community development

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements of the Charity have been drawn up in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar (“S\$”), which is the Charity’s functional currency.

**(b) Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Charity has adopted all the new and revised standards which are relevant to the Charity and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial statements.

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2022, and have not been applied in preparing these financial statements. The Charity does not plan to early adopt these standards.

**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Standards issued but not yet effective**

As at the date of the authorisation of these financial statements, the Charity has not adopted the following FRS and INT FRS that have been issued but not yet effective:

Description	Effective date (Annual periods beginning on or after)
Amendment to FRS 116 <i>Leases: Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

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

**d) Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Charity and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(e) Plant and equipment**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

	<u>Useful lives</u>
Computer	3 years
Office equipment	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

**(f) Impairment of non-financial assets**

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Impairment of non-financial assets (cont'd)**

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**(g) Financial instruments**

**(i) Financial assets**

**Initial recognition and measurement**

At initial recognition, the Charity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Charity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**Subsequent measurement**

*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Charity's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Charity only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortization process.



**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Financial instruments (cont'd)**

**(i) Financial assets (cont'd)**

**De-recognition**

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**(ii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

**Subsequent measurement**

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

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**(iii) Offsetting of financial instruments**

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Impairment of financial assets**

The Charity recognises an allowance for expected credit losses (“ECL”) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity expects to receive, discounted at a approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment which could affect debtors’ ability to pay.

The Charity considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and are subject to an insignificant risk of changes in value.

**(j) Provisions**

Provisions are recognised when the Charity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

**ARTSWOK COLLABORATIVE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) Provisions (cont'd)**

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(k) Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by government or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Government grants in relation to Major Company Scheme, Cultural Matching Fund ("CMF"), Digital Presentation Grant for the Arts, Job Support Scheme ("JSS"), Wages Credit Scheme ("WCS"), Arts and Culture Resilience Package Grant ("ACRP"), The Sustain the Arts Fund, Jobs Growth Incentive Scheme, E-invoice grant and rental waiver from MCCY.

**(l) Employee benefits**

Defined contribution plans

The Charity makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**(m) Revenue Recognition**

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

Revenue is recognised when the Charity satisfies a performance obligation by transferring a promised good or service to a customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point on time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**ARTSWOK COLLABORATIVE LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(m) Revenue Recognition (cont'd)**

The Charity recognises revenue from the following major sources:  
- Rendering of services

Rendering of services

Revenue from workshop and project are recognised when the services have been performed and rendered.

Donation and grant income

Income received from grants and donation are recognised when the right to receive is established.

**(n) Funds**

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

**(o) Income tax expense**

**(i) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is provided using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(o) Income tax expense (cont'd)**

**(ii) Deferred tax (cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(p) Leases**

The Charity 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.

**(a) As lessee**

*Right-of-use assets*

The Charity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Office premises	3 years

If ownership of the leased asset transfers to the Charity 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.

*Lease liabilities*

At the commencement date of the lease, the Charity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Charity and payments of penalties for terminating the lease, if the lease term reflects the Charity exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(p) Leases (cont'd)**

**(a) As lessee (cont'd)**

*Lease liabilities*

In calculating the present value of lease payments, the Charity 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Charity's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**(i) Judgments made in applying accounting policies**

In the process of applying the accounting policies, there are no significant judgements made by the management in applying accounts policies which has significant effects on the amounts recognised in the financial statements.

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)**

**(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Charity based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Charity. Such changes are reflected in the assumptions when they occur.

**Useful lives of plant and equipment**

The useful life of an item of plant and equipment is estimated at the time the assets is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. At reporting date, the carrying amount of the Charity's plant and equipment was S\$2,846 (2021: S\$2,127)

**Provision for expected credit losses of trade receivables and other receivables**

The Charity uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Charity's historical observed default rates. The Charity will calibrate the matrix to adjust for historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between the historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Charity's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Charity's trade receivables is disclosed in Note 18(a).

The carrying amount of the Charity's trade receivables and other receivables as at 31 March 2021 and 2020 was as disclosed in Note 12 to the financial statements.



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**4. REVENUE**

	2022	2021
	S\$	S\$
<u>Types of fund received</u>		
Donation	117,655	31,254
Grants	446,273	739,698
MCCY – Cultural Matching Fund Grant	40,646	233,326
NAC – Major Company Scheme	162,724	200,000
NAC – Digital Presentation Grant for the Arts	-	16,000
NAC – Arts and Culture Resilience Package Grant	35,000	75,000
NAC –START Fund	-	15,000
NYC – M1 Peer Pleasure Grant	-	30,000
IMDA – E-invoice Grant	-	200
Wage Credit Scheme	2,597	6,143
Job Support Scheme	66,140	132,772
Job Growth Incentive Scheme	8,250	-
BSN21- Rev	127,636	31,257
The Greenhouse Lab 21- Rev	3,280	-
	<u>563,928</u>	<u>770,952</u>
 <u>Timing of transfer of services</u>		
At a point on time	<u>563,928</u>	<u>770,952</u>

**(a) Donation**

	2022	2021
	S\$	S\$
Tax-deductible donations	27,113	25,093
Non tax-deductible donations	90,542	6,161
Recognised as income at a point in time	<u>117,655</u>	<u>31,254</u>

**5. COST OF SERVICE**

This represents the cost for managing the events and projects.

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	2022 S\$	2021 S\$
Rental relief (MCCY)	520	576
Grant internship allowance	18,293	-
	<u>18,813</u>	<u>576</u>

**7. FINANCE COST**

	2022 S\$	2021 S\$
Interest on lease liabilities	<u>559</u>	<u>548</u>

**8. PROFIT BEFORE TAX**

In addition to those expenses disclosed elsewhere in the financial statements, profit before tax is arrived at after charging the following:

	2022 S\$	2021 S\$
Depreciation of plant and equipment	3,149	2,618
Depreciation of right-of-use assets	5,794	5,932
Intern fees	15,150	11,430
Employee benefits expenses		
- Director's remuneration (Note 17)	82,584	78,648
- Director's bonus (Note 17)	13,436	12,796
- Director's CPF contribution (Note 17)	14,524	14,415
- Staff's salary	204,474	166,552
- Staff's bonus	28,916	24,990
- Skill Development Levy	758	560
- Staff's CPF contribution	39,541	32,566

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**9. INCOME TAX EXPENSE**

	2022 S\$	2021 S\$
Profit before tax	<u>2,905</u>	<u>276,817</u>
Tax calculated at a tax rate of 17% (2022: 17%)	494	47,059
Tax effects of:		
- Income not subject to tax	<u>(494)</u>	<u>(47,059)</u>
	<u>-</u>	<u>-</u>

**10. PLANT AND EQUIPMENT**

	Computer S\$	Office equipment S\$	Total S\$
<u>Cost</u>			
At 30.03.2020	6,152	5,317	11,469
Additions	-	464	464
At 31.03.2021	<u>6,152</u>	<u>5,781</u>	<u>11,933</u>
Additions	-	3,868	3,868
At 31.03.2022	<u>6,152</u>	<u>9,649</u>	<u>15,801</u>
<u>Accumulated depreciation</u>			
At 30.03.2020	4,016	3,172	7,188
Additions	1,495	1,123	2,618
At 31.03.2021	<u>5,511</u>	<u>4,295</u>	<u>9,806</u>
Additions	641	2,508	3,149
At 31.03.2022	<u>6,152</u>	<u>6,803</u>	<u>12,955</u>
<u>Net carrying amount</u>			
At 31.03.2022	<u>-</u>	<u>2,846</u>	<u>2,846</u>
At 31.03.2021	<u>641</u>	<u>1,486</u>	<u>2,127</u>

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**11. RIGHT-OF-USE ASSETS**

*As lessee*

The Company has lease contracts for office premises used in its operations. Leases of office premises generally have lease term of 3 years. The Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

	Office premises S\$	Total S\$
<u>Cost</u>		
At 1.4.2020	-	-
Effect of adopting FRS 116	19,451	19,451
At 1.4.2021	19,451	19,451
Addition	-	-
At 31.03.2022	19,451	19,451
<u>Accumulated depreciation</u>		
At 1.4.2020	-	-
Effect of adopting FRS 116	5,932	5,932
At 1 April 2021	5,932	5,932
Additions	5,794	5,794
At 31.03.2022	11,726	11,726
<u>Net carrying amount</u>		
At 31.3.2021	13,519	13,519
At 31.03.2022	7,725	7,725

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**12. TRADE AND OTHER RECEIVABLES**

	2022	2021
	S\$	S\$
Trade receivables	28,740	-
Other receivables	404	18,000
Cash advance	1,222	404
	<u>30,366</u>	<u>18,404</u>

The trade receivables are non-interest bearing and are generally on a 30 day (2022: 30 day) terms. No interest is charged on the trade receivables. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (“ECL”). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors. General economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There is no allowance for expected credit losses of trade receivables provided for during the financial year.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Receivables that are past due but not credit impaired

The Company had trade receivables amounting to S\$28,740 (2021: S\$Nil) that were past due at the reporting date but not credit impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	2022	2021
	S\$	S\$
Current	28,740	-
Past due:		
1 to 30 days	-	-
31 to 60 days	-	-
More than 60 days	-	-
	<u>28,740</u>	<u>-</u>

Trade and other receivables are denominated in Singapore dollar.

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**13. CASH AND CASH EQUIVALENTS**

	2022	2021
	S\$	S\$
Cash at bank	<u>565,361</u>	<u>572,685</u>

Cash and cash equivalents are denominated in Singapore dollar.

**14. LEASE LIABILITIES**

The carrying amount of the lease liabilities and the movement during the financial year are as below:

	2022	2021
	S\$	S\$
At beginning of the financial year	13,752	-
Additions	-	19,451
Accretion of interest	560	548
Rental relief	(520)	(576)
Cash flows payment in financing activities	<u>(5,729)</u>	<u>(5,671)</u>
At end of the financial year	<u>8,063</u>	<u>13,752</u>
Current	5,994	5,689
Non-current	<u>2,069</u>	<u>8,063</u>
	<u>8,063</u>	<u>13,752</u>

All lease liabilities are denominated in Singapore dollars.

The following are the amount recognised in profit or loss:

	2022	2021
	S\$	S\$
Depreciation of right-of-use assets (Note 11)	5,794	5,932
Interest on lease liabilities	560	548
Total amount recognised in profit or loss	<u>6,354</u>	<u>6,480</u>

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**15. TRADE AND OTHER PAYABLES**

	2022 S\$	2021 S\$
Trade payables	7,268	7,584
Accrual	6,673	4,010
	<u>13,941</u>	<u>11,594</u>

Trade and other payables are denominated in Singapore Dollar.

**16. LIABILITIES OF MEMBERS**

The liability of the members is limited to S\$1 each, in the event of a winding up of the Charity.

**17. SIGNIFICANT RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial year are as follows:

	2022 S\$	2021 S\$
<b><u>Compensation of key management personnel (Note 8)</u></b>		
Directors' remuneration		
- Salaries	82,584	78,648
- Bonus	13,436	12,796
- Directors' CPF contribution	14,524	14,415

**18. FINANCIAL RISK MANAGEMENT**

The Charity's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Charity's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Charity's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(a) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Charity. The Charity 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 Charity performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

*Trade receivables*

The Charity has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 365 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Charity has developed and maintained the Charity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Charity's own trading records to rate its major customers and other debtors. The Charity considers available reasonable and supportive forward-looking information which includes the following indicators:



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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(a) Credit risk (cont'd)**

*Trade receivables (cont'd)*

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The Charity determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

A trade receivable is written off when there is an information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off during the financial year.

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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(a) Credit risk (cont'd)**

*Trade receivables (cont'd)*

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

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- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(a) Credit risk (cont'd)**

The Charity's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising ECL
I	Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
II	Amount is $\geq 180$ days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
III	Amount is $\geq 365$ days past due or there is evidence indicating the assets is credit impaired (in default)	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Charity's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note to accounts	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
<b>31 March 2022</b>						
Trade receivables	12	I	Life time ECL	28,740	-	28,740
Other receivables	12	I	12-month ECL	404	-	404
<b>31 March 2021</b>						
Other receivables	12	I	12-month ECL	18,000	-	18,000

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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(a) Credit risk (cont'd)**

	<b>Other receivables (days past due)</b>		
<b>31 March 2022</b>	<b>Not past due</b>	<b>1 - 30 days</b>	<b>Total</b>
ECL rate	0%	0%	0%
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Estimated total gross carrying amount at default	28,740	-	28,740

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Charity's performance to developments affecting a particular industry.

Financial assets that are neither past due nor credit impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Charity. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Other receivables

The Charity assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Charity measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Liquidity risk**

Liquidity risk refers to the risk that the Charity will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Charity's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Charity's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Charity's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Charity.

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Charity's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S\$	2022		
		Contractual cash flows S\$	One year or less S\$	Two to five years S\$
<b><u>Financial assets</u></b>				
Trade receivables	28,740	28,740	28,740	-
Other receivables	404	404	404	-
Cash and cash equivalents	565,361	565,361	565,361	-
Total undiscounted financial assets	594,505	594,505	594,505	-
<b><u>Financial liabilities</u></b>				
Trade and other payables	13,941	13,941	13,941	-
Lease liabilities	8,063	8,330	6,247	2,083
Total undiscounted financial liabilities	22,004	22,271	20,188	2,083
Total net undiscounted financial assets/ (liabilities)	572,501	572,234	574,317	(2,083)

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**18. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Liquidity risk (cont'd)**

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	2021			
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$	Two to five years S\$
<b><u>Financial assets</u></b>				
Other receivables	18,000	18,000	18,000	-
Cash and cash equivalents	572,685	572,685	572,685	-
<b>Total undiscounted financial assets</b>	<b>590,685</b>	<b>590,685</b>	<b>590,685</b>	<b>-</b>
<b><u>Financial liabilities</u></b>				
Trade and other payables	11,594	11,594	11,594	-
Lease liabilities	13,752	14,578	6,248	8,330
<b>Total undiscounted financial liabilities</b>	<b>25,346</b>	<b>26,172</b>	<b>17,842</b>	<b>8,330</b>
<b>Total net undiscounted financial assets/ (liabilities)</b>	<b>565,339</b>	<b>564,513</b>	<b>572,843</b>	<b>(8,330)</b>

**(c) Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Charity's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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**19. FAIR VALUES**

**(a) Fair value hierarchy**

The Charity categories their value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows: -

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

**(b) Assets measured at fair value**

There is no asset that is measured at fair value.

**(c) Assets and liabilities not measured at fair value**

*Cash and cash equivalents, other receivables, other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

*Trade receivables and trade payables*

The carrying amounts of this receivables and payables approximate their fair values as they are subject to normal trade credit terms.

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**20. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2022 S\$	2021 S\$
<b>Loans and receivables</b>		
Trade and other receivables	29,144	18,000
Cash and cash equivalents	<u>565,361</u>	<u>572,685</u>
Total loan and receivables	<u>594,505</u>	<u>590,685</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	13,941	11,594
Lease liabilities	<u>8,063</u>	<u>13,752</u>
Total financial liabilities measured at amortised cost	<u>22,004</u>	<u>25,346</u>

**21. CAPITAL MANAGEMENT**

The Charity is not subject to any externally imposed capital requirements. The Charity's overall strategy remains unchanged from previous year.

The Charity's objective when managing capital are to safeguard the Charity's ability to continue as a going concern.

**22. MANAGEMENT OF CONFLICT OF INTEREST**

During the current and previous financial year, director received remuneration from the Charity are properly disclosed in Note 17.

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



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**23. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

As a result of the spread of the COVID-19, economic uncertainties have arisen. Given the dynamic nature of the circumstances and uncertainty around the duration, the related impact on the Charity's financial statements could not be reasonably estimated at this stage. Notwithstanding this, management has assessed that the Charity is still able to maintain sufficient liquidity to enable the Charity to continue as a going concern for at least the next 12 months from the end of the reporting period.

**24. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Charity on

15 SEP 2022