

INTERCULTURAL THEATRE INSTITUTE LTD.
Company Registration No. 200818680E
(A Company limited by guarantee and not having a share capital)

**Directors' Statement and Financial Statements for the
Financial Year ended 31 March 2024**

JCP Trust PAC
Public Accountants and
Chartered Accountants

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

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INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

The directors are pleased to present their statement to the members together with the audited financial statements of Intercultural Theatre Institute Ltd. (the "Company") for the financial year ended 31 March 2024.

1. Opinion of the directors

In the opinion of the directors,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company 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.

2. Directors

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

Mahizhnan Arunachalam
Chew Kheng Chuan
Loh Chay Koon Winifred
Mohamad Nazry Bin Bahrawi
Andrew Nai Soo Kuang
Tay Inn, Jean

3. Arrangements to enable directors to acquire shares or debentures / directors' interests in shares or debentures / share options

The Company is limited by guarantee. In the event of winding up, the member of the Company guarantees to contribute a sum of not exceeding S\$1 to the assets of the Company.

As the Company is limited by guarantee and not having a share capital, matters relating to the issue of shares, debentures, dividends, and share options are not applicable. The Company has three members as of financial year end.

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Auditor

JCP Trust PAC has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,



Mahizhan Arunachalam
Director



Andrew Nai Soo Kuang
Director

Date: 20.09.2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCULTURAL THEATRE INSTITUTE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Intercultural Theatre Institute Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations") and Singapore Financial Reporting Standards ("SFRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024, and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended 31 March 2023 were audited by another independent auditor who expressed unqualified opinion on 28 September 2023.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

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 AUDITOR'S REPORT TO THE MEMBERS OF INTERCULTURAL THEATRE INSTITUTE LTD. (CONTINUED)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgment 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERCULTURAL THEATRE INSTITUTE LTD. (CONTINUED)

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

- 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 on internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

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

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

JCP TRUST PAC

JCP Trust PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 20.09.2024

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		S\$	S\$
Income			
Income from generated funds	4	1,505,798	1,158,223
Income from charitable activities	4	233,636	345,276
Other income	5	205,348	70,337
Total Income		1,944,782	1,573,836
Less: expenditure			
Cost of charitable activities	6	1,079,932	1,177,653
Administrative expenses	6	1,010,485	883,995
Cost of generating funds	6	1,287	27,431
Total expenses		2,091,704	2,089,079
Net loss, representing total comprehensive loss for the year		(146,922)	(515,243)

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		S\$	S\$
ASSETS			
Non-current assets			
Plant and equipment	10	245,371	309,232
Trade and other receivables	11	<u>1,520,966</u>	<u>1,411,901</u>
		<u>1,766,337</u>	<u>1,721,133</u>
Current assets			
Trade and other receivables	11	997,153	891,847
Cash and cash equivalents	12	<u>786,147</u>	<u>995,727</u>
		<u>1,783,300</u>	<u>1,887,574</u>
Total assets		<u><u>3,549,637</u></u>	<u><u>3,608,707</u></u>
FUNDS AND LIABILITIES			
Funds			
General fund - unrestricted	13	1,813,326	1,960,248
Mobius fund - restricted	13	<u>1,531,173</u>	<u>1,451,993</u>
		<u>3,344,499</u>	<u>3,412,241</u>
Current liabilities			
Trade and other payables	14	151,468	133,966
Contract liabilities	4	<u>53,670</u>	<u>62,500</u>
		<u>205,138</u>	<u>196,466</u>
Total funds and liabilities		<u><u>3,549,637</u></u>	<u><u>3,608,707</u></u>

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<u>Note</u>	<u>General fund - Unrestricted</u> S\$	<u>Mobius fund - Restricted (Note 13)</u> S\$	<u>Total</u> S\$
At 1 April 2022		2,668,293	1,206,670	3,874,963
Total comprehensive loss for the financial year		(515,243)	-	(515,243)
Income for the year		-	52,521	52,521
Transferred during the year		(192,802)	192,802	-
At 31 March 2023		<u>1,960,248</u>	<u>1,451,993</u>	<u>3,412,241</u>
Total comprehensive loss for the financial year		(146,922)	-	(146,922)
Income for the year		-	79,180	79,180
At 31 March 2024		<u><u>1,813,326</u></u>	<u><u>1,531,173</u></u>	<u><u>3,344,499</u></u>

INTERCULTURAL THEATRE INSTITUTE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		S\$	S\$
Cash flows from operating activities			
Net loss		(146,922)	(515,243)
Adjustments for:			
Depreciation	10	97,008	114,214
Gain on disposal of plant and equipment	5	-	(28,316)
Interest income	5	(1,286)	(602)
Operating loss before working capital changes		(51,200)	(429,947)
Trade and other receivables		(214,371)	(297,882)
Trade and other payables		17,502	(144,901)
Contract liabilities		(8,830)	-
Cash used in operating activities		(256,899)	(872,730)
Interest received		1,286	602
Net cash used in operating activities		(255,613)	(872,128)
Cash flows from investing activities			
Purchase of plant and equipment		(33,147)	(18,718)
Proceeds from disposal of plant and equipment		-	94,385
Net cash (used in) / generated from investing activities		(33,147)	75,667
Cash flows from financing activities			
Proceeds from Mobius fund		79,180	52,521
Net cash (used in) / generated from financing activities		79,180	52,521
Net decrease in cash and cash equivalents		(209,580)	(743,940)
Cash and cash equivalents at 1 April		995,727	1,739,667
Cash and cash equivalents at 31 March	12	<u>786,147</u>	<u>995,727</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

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

1. Corporate information

Intercultural Theatre Institute Ltd. (“the Company”) is incorporated and domiciled in Singapore with registered office and principal place of business located at 11 Upper Wilkie Road, Singapore 228120. The Company’s Registration Number is 200818680E.

The Company is a public company limited by guarantee whereby each member of the Company undertakes to meet the debts and liabilities of the Company in the event of its liquidation. As at 31 March 2024, the Company has 3 (2023: 3) members.

The Company is registered as a charity under the Charities Act on 17 November 2009. It Has been accorded as an Institution of Public Character (“IPC”) status until 24 February 2025.

The principal activities of the Company consist of the following:

- To promote education and training in theatre, performance and performing arts;
- To provide research in theatre, theatre training, performance, performance training, performance arts and performing arts training;
- To present, promote, exhibit, direct, manage, produce, compose, choreograph and design public performance of theatrical works, dramas, plays, musicals, and other allied fine arts entertainment;
- And to identify, nurture, develop and promote talented actors, singers, dancers, musicians, and students in the aforesaid fields.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards (“SFRSs”). 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 Dollars (S\$), which is the Company’s functional currency. All financial information presented in Singapore Dollars have been rounded to the nearest dollar, unless otherwise indicated.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on 1 April 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the period of initial application.

The following are new/revised/amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 March 2024 which are effective for annual reporting periods beginning after 1 April 2023:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in s Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows and FRS 107 Financial Instruments</i> : Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Date to be determined

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.5 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. The cost of plant and equipment includes its purchase price and any costs 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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

	<u>Useful lives</u>
Air conditioner	5 years
Computer	1-3 years
Furniture and fittings	10 years
Office equipment	10 years
Production lighting and stage equipment	10 years
Renovation	5 years

The residual value, useful life 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Company 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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.6 Impairment of non-financial assets (Continued)

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.

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company 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.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company'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, fair value through other comprehensive income (FVOCI) and FVPL. The Company 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 amortisation process.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.7 Financial instruments (Continued)

(a) Financial assets (Continued)

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company 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.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company'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, fair value through other comprehensive income (FVOCI) and FVPL. The Company 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 amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.7 Financial instruments (Continued)

(a) Financial assets (Continued)

Derecognition

A financial asset is derecognised where 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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.

Derecognition

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

2.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) 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 Company expects to receive, discounted at an 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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.8 Impairment of financial assets (Continued)

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

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

2.10 Provisions

General

Provisions are recognised when the Company 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.

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.

2.11 Government grant

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.12 Employee benefits

(a) Defined contribution plans

The Company 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.

(b) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Leases

The Company 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.

As lessee

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

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of premises (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.

As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.14 Revenue recognition

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

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised 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 revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of ticket

Revenue from sale of goods is recognized when the Company has rendered the services.

(b) Rental income

Rental income from operating lessees on leased property is recognized on a straight-line basis over the lease term.

(c) Government grants

Donations are recognised on receipt basis. Donations-in-kind are recognized when the fair value of the assets received can be reasonably ascertained.

(d) Rendering of services

Revenue from consultancy and management services is recognized over the period in which the services are performed or rendered.

(e) Course / Workshop fees

For the main training program, income will be recognized over the period when the services are rendered. (i.e. monthly basis). Students will be invoiced before the commencement of each semester for the entire semester.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.15 Taxes

The Company is recognised as a “Charitable Organisation” under Section 13(1)(g) of the Income Tax Act and exempted from income tax under the provision of the Income Tax Act Cap 134.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense item as applicable; and
- Receivable and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.16 Related party transactions

A party is related to an entity if:

- (a) A person or a close member of that person’s family is related to the Company if that person:**
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of parent of the Company;
- (b) An entity is related to the Company if any of the following conditions applies:**
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. Material accounting policy information (Continued)

2.16 Related party transactions (Continued)

**(b) An entity is related to the Company if any of the following conditions applies:
(Continued)**

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Significant accounting judgments and estimates

The preparation of the Company'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.

3.1 Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

(a) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade 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 Company's historical observed default rates. The Company will calibrate the matrix to adjust 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. Significant accounting judgments and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(a) Provision for expected credit losses of trade receivables (continued)

The assessment of the correlation between 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 Company'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 Company's trade receivables is disclosed in Note 17(a).

The carrying amount of the Company's trade receivables as at 31 March 2024 was S\$855,894 (2023: S\$782,237).

(b) Depreciation of plant and equipment

Management estimates the useful lives of plant and equipment to be as disclosed in Note 2.5 above. These are common life expectancies applied in the relevant industry. The carrying amounts of the Company's property, plant and equipment at the reporting date are disclosed in Note 10. Change in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets. Hence, future depreciation charges could be revised.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Revenues

	2024	2023
	S\$	S\$
Disaggregation of revenue		
<u>Type of goods or services</u>		
Income from generated funds		
Donations from individuals	86,178	210,085
Donations from foundation	125,000	125,000
Donations from corporations	3,389	5,288
Donation – Others	4,067	2,192
Consultancy and management services *	43,000	46,500
Rental income from studios *	247,699	58,680
Sponsorships *	291	12,311
Bursary income	5,000	20,000
Ticket revenue *	5,454	13,779
Other income *	447	422
Workshop fees *	1,266	8,232
Conferences *	5,824	-
Cultural matching fund (CMF)	366,183	315,734
National arts council (NAC) grant	612,000	340,000
Total income from generated funds	1,505,798	1,158,223
Income from Charitable activities		
Course fees *	233,636	345,276
Total income from Charitable activities	233,636	345,276
	1,739,434	1,503,499
<u>Timing of transfer of goods or services</u>		
At a point in time	13,282	34,744
At over time	524,335	450,456
	537,617	485,200

* Total revenue from contracts with customers is S\$537,617 (2023: S\$485,200).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. Revenues (continued)

Contract liabilities

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Amounts received in advance for sponsorship and school fees for course enrolment	<u>53,670</u>	<u>62,500</u>

The contract liabilities relate to the course fee and sponsorship income for the unsatisfied performance obligation in providing to be held and courses to be conducted. Revenue will be recognized when services are rendered over the course period.

Significant changes in contract liabilities are explained as follows:

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Revenue recognised from performance obligations satisfied in previous years due to changes in the estimated transactions price	345,276	388,316
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>62,500</u>	<u>96,729</u>

5. Other income

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Bad debts recovered	5,062	2,271
Government grant	47,091	39,068
Interest income	1,286	602
Miscellaneous revenue	-	80
Gain on disposal of plant and equipment	-	28,316
Rental waivers	<u>151,909</u>	<u>-</u>
	<u>205,348</u>	<u>70,337</u>

INTERCULTURAL THEATRE INSTITUTE LTD.
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. Expenditure

	2024	2023
	S\$	S\$
Cost of charitable activities		
Class presentations	4,410	10,938
Conferences and seminars	16,850	-
Course materials	3,499	4,083
Research and documentation	10,000	6,250
Workshops and lectures	800	-
CPE/ other registrations	7,347	3,000
Graduation productions	96,314	121,336
Interpreter	8,450	34,700
Rental of training space	115,450	115,450
Equipment and maintenance	17,748	13,590
Salaries and wages (Note 7)	525,683	562,722
Student welfare	1,932	3,066
Scholarship	117,700	147,600
Staff benefits	111,985	122,222
Student's recruitment	7,929	1,232
Upkeep of training space	28,422	25,753
FPS insurance for course fees	3,000	3,000
Student medical insurance	2,363	2,230
Transport	-	280
Others	50	201
Total cost of charitable activities	1,079,932	1,177,653
Administrative expenses		
Audit fees	8,602	8,315
Bad debts	16,346	-
Bank charges	138	385
Filing and stamp fees	-	10
Collaterals	22	245
Depreciation	97,008	114,214
Insurance - office	2,600	2,600
Internet, phone, fax, and server	7,720	5,365
Marketing services	32,052	2,227
Software subscription	2,109	1,051
Office rental	15,990	15,990
Office supplies	63	54
Postage and courier	-	6
Printing and stationery	2,623	2,063
Balance c/f	185,273	152,525

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. Expenditure (Continued)

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Administrative expenses (Continued)		
Balance b/f	185,273	152,525
Professional fee	18,739	-
Rental of copier	2,460	2,460
Salaries and wages (Note 7)	602,498	511,862
Secretarial fees	1,180	1,042
Staff benefits	8,275	8,468
Transport and travelling	310	556
Upkeep of premises	5,464	8,890
Water and electricity	1,925	1,768
Rental and maintenance (Administrative)	184,353	196,374
Late fees and fines	8	-
Others	-	50
Total administrative expenses	<u>1,010,485</u>	<u>883,995</u>
Cost of generating funds		
Thanksgiving expenses	<u>1,287</u>	<u>27,431</u>
Total cost of generating funds	<u>1,287</u>	<u>27,431</u>
Total expenses	<u><u>2,091,704</u></u>	<u><u>2,089,079</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. Salaries and wages

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Curriculum and teaching staff		
Salaries	450,387	433,021
CPF	35,298	36,186
SDF	846	908
FWL	1,664	656
Withholding tax	7,847	13,178
Fess for short term teachers	29,641	78,773
Total salaries and wages for curriculum and teaching staff	<u>525,683</u>	<u>562,722</u>
Administrative staff		
Salaries	528,038	451,687
CPF	73,443	59,298
SDF	1,017	877
Total salaries and wage for administrative staff	<u>602,498</u>	<u>511,862</u>
Total salaries and wages	<u><u>1,128,181</u></u>	<u><u>1,074,584</u></u>

8. Income tax

The Company is recognised as a Charitable Organization under Section 13(1)(g) of the Income Tax Act and is exempted from income tax under the provision of Income Tax Act Cap 134. No provision for tax liability has been made in the financial statements at Company level.

9. Tax-exempt receipts

During the financial year, the Company issued tax-exempt receipts for donations totaling S\$ 249,667 (2023: S\$371,046) pursuant to its Institutions of a Public Character (“IPC”) status.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. Plant and equipment

	Air conditioner	Computer	Furniture and fittings	Renovation	Office equipment	Production lighting and stage equipment	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Cost							
At 1 April 2022	42,332	26,818	12,877	620,853	7,253	40,810	750,943
Addition	-	10,425	893	7,400	-	-	18,718
Disposal	-	-	-	(94,385)	-	-	(94,385)
At 31 March 2023	42,332	37,243	13,770	533,868	7,253	40,810	675,276
Addition	-	19,628	9,259	4,260	-	-	33,147
At 31 March 2024	42,332	56,871	23,029	538,128	7,253	40,810	708,423
Accumulated depreciation							
At 1 April 2022	13,559	25,809	12,877	181,481	5,942	40,478	280,146
Depreciation	6,394	3,233	90	103,799	366	332	114,214
Disposal	-	-	-	(28,316)	-	-	(28,316)
At 31 March 2023	19,953	29,042	12,967	256,964	6,308	40,810	366,044
Depreciation	6,394	10,447	552	79,249	366	-	97,008
At 31 March 2024	26,347	39,489	13,519	336,213	6,674	40,810	463,052
Carrying amount							
At 31 March 2023	22,379	8,201	803	276,904	945	-	309,232
At 31 March 2024	15,985	17,382	9,510	201,915	579	-	245,371

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11. Trade and other receivables

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Current		
Trade receivables:		
Third parties	1,193,974	1,103,971
Less: Allowance for doubtful accounts	<u>(338,080)</u>	<u>(321,734)</u>
	<u>855,894</u>	<u>782,237</u>
Other receivables:		
Deposits	89,534	81,190
Prepayments	44,744	21,293
Third parties	<u>6,981</u>	<u>7,127</u>
	<u>141,259</u>	<u>109,610</u>
Total trade and other receivables (current)	<u>997,153</u>	<u>891,847</u>
Non-current assets		
Mobius fund – loan to students	<u>1,520,966</u>	<u>1,411,901</u>

Trade receivables are not-interest bearing and are generally on 30 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. No interest is charged on outstanding trade receivables.

Included in the other receivables was an amount of S\$1,000 (2023: S\$1,000) related to advances to the students which are non-interest bearing, unsecured and repayable on demand.

The mobius fund receivables are unsecured and non-interest bearing up till one year after the student's graduation. Simple interest rate of 3% is charged on the outstanding receivables amounts with repayment expected to be made within a period of 10 years after the student's graduation.

The movement in allowance for doubtful of trade receivables as follows:

	<u>2024</u>	<u>2023</u>
	S\$	S\$
At 1 April	321,734	321,734
Addition	<u>16,346</u>	<u>-</u>
At 31 March	<u>338,080</u>	<u>321,734</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12. Cash and cash equivalents

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Cash at banks	585,767	995,540
Cash in hands	380	187
Fixed deposit	200,000	-
	<u>786,147</u>	<u>995,727</u>

The fixed deposit is for a tenure 12 months and earn interest of 2.4% per annum.

13. Funds

(a) Unrestricted funds

The accumulated unrestricted fund represents the accumulated income of the Company. It is for the purpose of meeting the expenditure in accordance with the objective of the Company.

(b) Restricted funds

Mobius fund

The fund was established in 2016 to provide loans to students who required financial assistance with course fees and living expenses. The loans are unsecured and non-interest bearing up till one year after the student's graduation. Simple interest of 3% is charged on the outstanding loan amounts with repayment expected with a period of 10 years after the student's graduation. During the financial year, the Company received donations amounting to S\$41,845 (2023: S\$20,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. Funds (Continued)

(b) Restricted funds (Continued)

	<u>2024</u>	<u>2023</u>
	S\$	S\$
At 1 April	1,451,993	1,206,670
Movement during the year		
Donation and other income	79,180	52,521
Transfer from general fund	-	192,802
At 31 March	<u>1,531,173</u>	<u>1,451,993</u>

Reservation position and policy

The Company's reserves position for the financial year ended 31 March 2023 and 31 March 2024 is as follows:

	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease)</u>
	S\$	S\$	%
A General fund - Unrestricted	1,813,326	1,960,248	(7.50)
B Mobius Fund- Restricted	1,531,173	1,451,993	5.45
C Endowment fund	-	-	-
D Total Funds	3,344,499	3,412,241	(1.99)
E Total annual operating expenditure	2,091,704	2,089,079	0.13
F Ratio of reserves to Annual operating expenditure (A/E)	0.87	0.94	(7.45)

Reference:

- C. An endowment fund consists of assets, fund, or properties that 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 expenditure related to cost of generated funds, cost of charitable activities and administrative expenditure.

The Company's reserve policy is as follows:

The Company's policy is to maintain a financial reserve of S\$500,000 in unrestricted funds and cash so long as the financial situation allows. If there are more unrestricted funds in cash or cash equivalents, a reserve fund will be established, an available for use in designed circumstances to be defined by the Board, and on approval by the Board.

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14. Trade and other payables

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Trade payables:		
Third parties	26,788	19,107
Related party	49,130	73,025
GST payables	9,480	13,580
	<u>85,398</u>	<u>105,712</u>
Other payables:		
Accruals	8,185	7,100
Deposit received from sub-tenant	38,950	5,581
Third parties	18,935	15,573
	<u>66,070</u>	<u>28,254</u>
Total trade and other payables	<u>151,468</u>	<u>133,966</u>

The average credit period on purchases of goods is 30-60 days. No interest is charged on outstanding trade payables.

15. Operating lease commitment – as lessor

The Company leases out its premises to tenants under non-cancellable operating lease. At the reporting date, the future minimum lease rental receivable under these leases contracted for but not recognized as receivables are as follows:

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Within one year	<u>140,989</u>	<u>-</u>

The above non-cancellable operating leases have lease terms of between 1 years with no contingent rent provision included in the contracts. Certain leases included options for renewal for further terms of 1 years with revised lease payment to reflect market rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

16. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related party took place at terms agreed between the parties during the financial year.

	<u>2024</u>	<u>2023</u>
	S\$	S\$
With related company		
Proceeds from sale of plant and equipment	-	(94,385)
Consultancy and management services	<u>(36,000)</u>	<u>(36,000)</u>

Key management personnel is defined as follows:

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

Compensation of key management personnel

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Directors' salaries and bonuses	100,000	90,000
Directors' CPF contributions	12,516	11,430
	<u>112,516</u>	<u>101,430</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management

The Company'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 interest rate risk and foreign currency risk).

The Directors review and agree 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 Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company'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 Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to the related party. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company 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 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management (Continued)

(a) Credit risk (Continued)

To minimise credit risk, the Company has developed and maintained the Company'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 Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- 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 obligations
- 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 30 days past due in making contractual payment.

The Company 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 reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising Expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management (Continued)

(a) Credit risk (Continued)

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
31 March 2024						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	1,193,974	(338,080)	855,894
Other receivables	10	I	12-month ECL	141,259	-	141,259
					<u>(338,080)</u>	
31 March 2023						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	1,103,971	(321,734)	782,237
Other receivables	10	I	12-month ECL	109,610	-	109,610
					<u>(321,734)</u>	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management (Continued)

(a) Credit risk (Continued)

Trade receivables (Note 1) (Continued)

	Trade receivables					Total
	Not pass due S\$	≤30 days S\$	31-60 days S\$	61-90days S\$	>90days S\$	
31 March 2024						
ECL rate	0%	0%	0%	0%	30.86%	
Estimated total gross carrying amount at default	1,432	4,949	3,841	88,367	1,095,385	1,193,974
ECL	-	-	-	-	(338,080)	<u>(338,080)</u>
						<u>855,894</u>
31 March 2023						
ECL rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	-	3,104	14,444	764,689	321,734	1,103,971
ECL	-	-	-	-	(321,734)	<u>(321,734)</u>
						<u>782,237</u>

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 Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Company 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 Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management (Continued)

(b) Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount	Contractual cash flows	One year or less	One to five years
	S\$	S\$	S\$	S\$
2024				
<u>Financial assets</u>				
Mobius fund – loan to students	1,520,966	1,520,966	-	1,520,966
Trade and other receivables (excluding prepayments)	952,409	952,409	952,409	-
Cash and cash equivalents	786,147	786,147	786,147	-
Total undiscounted financial assets	<u>3,259,522</u>	<u>3,259,522</u>	<u>1,738,556</u>	<u>1,520,966</u>
<u>Financial liabilities</u>				
Trade and other payables (excluding GST payables)	141,988	141,988	141,988	-
Total undiscounted financial liabilities	<u>141,988</u>	<u>141,988</u>	<u>141,988</u>	<u>-</u>
Total net undiscounted financial assets	<u><u>3,117,534</u></u>	<u><u>3,117,534</u></u>	<u><u>1,596,568</u></u>	<u><u>1,520,966</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17. Financial risk management (Continued)

(b) Liquidity risk (Continued)

	Carrying amount	Contractual cash flows	One year or less	One to five years
	S\$	S\$	S\$	S\$
2022				
<u>Financial assets</u>				
Mobius fund – loan to students	1,411,901	1,411,901	-	1,411,901
Trade and other receivables (excluding prepayments)	870,554	870,554	870,554	-
Cash and cash equivalents	995,727	995,727	995,727	-
Total undiscounted financial assets	<u>3,278,182</u>	<u>3,278,182</u>	<u>1,866,281</u>	<u>1,411,901</u>
<u>Financial liabilities</u>				
Trade and other payables (excluding GST payables)	120,386	120,386	120,386	-
Total undiscounted financial liabilities	<u>120,386</u>	<u>120,386</u>	<u>120,386</u>	<u>-</u>
Total net undiscounted financial assets	<u><u>3,157,796</u></u>	<u><u>3,157,796</u></u>	<u><u>1,745,895</u></u>	<u><u>1,411,901</u></u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company'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.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

(ii) Foreign currency risk

The Company's operational activities are carried out in Singapore Dollars, which is the functional currency. All transactions are paid mainly in local currency. Exposure to any risk arising from movements in foreign currencies exchange rates is minimal.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. Fair values of assets and liabilities

(a) Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and 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 these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Mobius fund -loan to students

The carrying amounts of the non-current financial assets approximate their fair values as they are subject to interest rates close to market rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. Financial instruments by category

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

	<u>2024</u>	<u>2023</u>
	<u>S\$</u>	<u>S\$</u>
Financial assets measured at amortised cost		
Mobius fund – loan to students	1,520,966	1,411,901
Trade and other receivables (excluding prepayments)	952,409	870,554
Cash and cash equivalents	<u>786,147</u>	<u>995,727</u>
Total financial assets measured at amortised cost	<u><u>3,259,522</u></u>	<u><u>3,278,182</u></u>
Financial liabilities measured at amortised cost		
Trade and other payables (excluding GST payables)	<u>141,988</u>	<u>120,386</u>
Total financial liabilities measured at amortised cost	<u><u>141,988</u></u>	<u><u>120,386</u></u>

20. Capital management

The Company's objective when managing capital is to safeguard the Company's ability as a going concern. The reserves of the Company are the accumulated surplus available to the Company. The Company annual operating expenditure is planned accordingly.

There were no changes in the Company's approach to reserves management during the year.

The Company is not subject to externally imposed reserves requirements.

No changes were made in objectives, policies, or processes during the financial year ended 31 March 2023.

21. Comparatives

Prior year comparatives have been audited by another firm of certified public accountants.

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Directors on the date of Directors' Statement.