

## **THE FINGER PLAYERS LTD**

[UEN. 199905145W]

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

[Incorporated in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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## **Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre #08-01  
Singapore 408571  
T: (65) 6846 8376  
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## **DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of The Finger Players Ltd (the "Company") for the financial year ended 31 March 2021.

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 2021 and of the financial performance, changes in fund 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.

### **Directors**

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

Tan Beng Tian  
Chang Cher Shen  
Lim Juliana Patricia  
Kwek Hongwei, Luke

### **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.

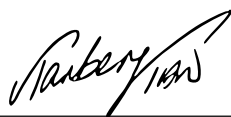
### **Other matters**

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

### **Independent auditor**

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

On behalf of the Board of Directors,



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Tan Beng Tian  
Director



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Luke Kwek Hongwei  
Director

Singapore, 30 September 2021

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Independent auditor's report to the members of:

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## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of The Finger Players Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of financial activities, statement of changes in fund and statement of cash flows 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 Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in fund 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 Information**

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on page 2) and the annual report, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

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

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(CONT'D)

Independent auditor's report to the members of:

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

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

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance comprises the directors. Their 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 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

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

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

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



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 30 September 2021

Partner-in-charge: Gan Chek Huat  
PAB No.: 01939

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
<b>INCOME</b>			
<u>Performance income</u>			
Engagement fees	5	164,774	241,215
Ticket sales	5	6,111	26,123
Touring	5	109,000	100,000
		<u>279,885</u>	<u>367,338</u>
<u>Voluntary income</u>			
Donations	5	63,748	85,579
Government grants:			
• National Arts Council			
- Arts fund		12,000	18,000
- Major grant		420,000	420,000
- Other projects		78,960	0
• Cultural Matching fund		78,154	86,631
		<u>589,114</u>	<u>610,210</u>
<u>Other income</u>			
Arts education programme	5	24,680	22,220
Job Support Scheme grant		108,812	0
Miscellaneous income	5	17,311	14,078
		<u>150,803</u>	<u>36,298</u>
<b>Total income</b>		<u>1,083,550</u>	<u>1,013,846</u>
<b>EXPENDITURE</b>			
<u>Artistic and production costs</u>			
Creative artists' fees		46,115	60,850
Performing artists' fees		22,700	9,000
Publicity and promotion		18,881	63,862
Theatre rental		2,356	25,286
Touring		120,486	55,257
Others		76,778	106,490
		<u>287,316</u>	<u>320,745</u>
<u>Audience development and education cost</u>			
Costumes/hair/makeup		220	1,167
Fees		169,325	171,984
Miscellaneous		13,884	5,416
Puppets/sets/props		7,174	17,336
Puppetry contractor's fee		0	5,000
Reach-out production (printing and stationery)		11,998	165
Sound		3,500	2,950
Transportation		2,551	4,522
		<u>208,652</u>	<u>208,540</u>

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)**

	Note	2021 S\$	2020 S\$
<b>EXPENDITURE (CONT'D)</b>			
<u>Governance and administrative costs</u>			
Audit fee		7,117	5,136
Bank charges		1,397	726
Depreciation	9	826	344
Marketing		16,313	4,027
Printing and stationery		2,936	3,679
Professional fees		17,354	10,551
Rental		3,087	4,008
Repairs and maintenance		8,034	6,684
Staff CPF contributions		32,379	30,366
Staff salaries		188,436	121,877
Staff training		6,788	65
Staff welfare		1,806	4,607
Sub-contractor fee		26,100	7,900
Telecommunication		1,778	2,015
Water and electricity		2,262	2,343
Others		4,485	855
		<u>321,100</u>	<u>205,183</u>
<b>Total expenditure</b>		<u>817,068</u>	<u>734,468</u>
<b>Net income for the financial year</b>		266,482	279,378
<b>Total funds brought forward</b>		<u>200,193</u>	<u>(79,185)</u>
<b>Total funds carried forward</b>		<u><u>466,675</u></u>	<u><u>200,193</u></u>

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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	508,132	346,121
Trade and other receivables	8	<u>52,411</u>	<u>43,788</u>
		<u>560,543</u>	<u>389,909</u>
<b>Non-current assets</b>			
Plant and equipment	9	<u>2,960</u>	<u>3,786</u>
<b>Total assets</b>		<u>563,503</u>	<u>393,695</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	36,828	93,502
Contract liabilities	5	<u>60,000</u>	<u>100,000</u>
<b>Total liabilities</b>		<u>96,828</u>	<u>193,502</u>
<b>NET ASSETS</b>		<u>466,675</u>	<u>200,193</u>
<b>FUND</b>			
<b>Unrestricted fund</b>			
General fund	11	<u>466,675</u>	<u>200,193</u>
<b>TOTAL FUND</b>		<u>466,675</u>	<u>200,193</u>

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



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**STATEMENT OF CHANGES IN FUND  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Beginning of financial year S\$	Net income for the financial year S\$	End of financial year S\$
<b>2021</b>			
<b>Unrestricted fund</b>			
General fund	200,193	266,482	466,675
<b>Total fund</b>	200,193	266,482	466,675
	Beginning of financial year S\$	Net income for the financial year S\$	End of financial year S\$
<b>2020</b>			
<b>Unrestricted fund</b>			
General fund	(79,185)	279,378	200,193
<b>Total fund</b>	(79,185)	279,378	200,193

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

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**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021 S\$	2020 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		266,482	279,378
Adjustment for:			
- Depreciation	9	826	344
Operating cash flow before changes working capital		<u>267,308</u>	<u>279,722</u>
Changes in working capital			
- Trade and other receivables		(8,623)	4,871
- Trade and other payables		(56,674)	84,599
- Contract liabilities		<u>(40,000)</u>	<u>44,550</u>
<b>Net cash generated from operating activities</b>		<u>162,011</u>	<u>413,742</u>
<b>Cash flows from investing activity</b>			
Purchase of plant and equipment, representing net cash used in investing activity	9	<u>0</u>	<u>(4,130)</u>
<b>Net increase in cash and cash equivalents</b>		162,011	409,612
Cash and cash equivalents at beginning of financial year		346,121	(63,491)
<b>Cash and cash equivalents at end of financial year</b>	7	<u><u>508,132</u></u>	<u><u>346,121</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

### **1. General information**

The Finger Players Ltd (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at 126 Cairnhill Road, #03-01/02 Cairnhill Art Centre, Singapore 229707.

The Company was registered as charity under the Charities Act, Chapter 37 on 14 April 2005. The Company has been accorded an Institutions of a Public Character ("IPC") status from 1 July 2019 to 30 June 2021. The Company has renewed its IPC status from 1 July 2021 to 30 June 2023.

Every member of the Company undertakes to contribute to the assets of the Company if the Company is wound up during the time he is a member, or within one year afterwards, for payment of the Company's debts and liabilities contracted before he ceases to be a member and the costs and expenses of the winding up, and for adjusting the rights among contributors, any amount as may be required, but not exceeding the sum of S\$100 only.

The principal activities of the Company are those of productions of live theatrical presentations (including stage plays, musicals and theatre productions).

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

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

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

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

##### **2.1.1 Interpretations and amendments to published standards effective in 2020**

In the current financial year, the Company has adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are mandatory for application effective on 1 April 2020. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

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

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## 2. Significant accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### 2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018 - 2020	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

### 2.2 Income recognition

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

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

#### 2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis.

#### 2.2.2 Donations-in-kind

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

#### 2.2.3 Engagement fees and arts education programme

Revenue from rendering of services is recognised once the services have been performed and rendered.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition (Cont'd)**

#### 2.2.4 Sales of tickets

Revenue from sales of tickets for performance carried out during the year is recognised when the performance has been completed.

#### 2.2.5 Other income

Other income is recognised when received.

### **2.3 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. Where 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 the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where 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.

### **2.4 Expenditure recognition**

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

### **2.5 Employee compensation**

#### 2.5.1 Defined contribution plans

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

#### 2.5.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Unused annual leave are not allowed to be carried forward to the following year.

### **2.6 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.

## **2. Significant accounting policies (Cont'd)**

### **2.6 Leases (Cont'd)**

#### When the Company is the 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.

#### a) Right-of-use of assets

The Company 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.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.11.

#### b) Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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.

In calculating the present value of lease payments, the Company 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.

The Company has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

## **2. Significant accounting policies (Cont'd)**

### **2.7 Leases (Cont'd)**

#### When the Company is the lessee (Cont'd)

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

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

### **2.7 Foreign currencies**

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

### **2.8 Financial assets**

#### 2.8.1 Classification and measurement

The Company classifies its financial assets under the amortised cost category.

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

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

##### (i) At initial recognition

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, transaction costs that are directly attributable to the acquisition of the financial asset.

##### (ii) At subsequent measurement

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

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

## **2. Significant accounting policies (Cont'd)**

### **2.8 Financial assets (Cont'd)**

#### 2.8.2 Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 16 to the financial statements details how the Company determines whether there has been a significant increase in credit risk.

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

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

#### 2.8.3 Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to the statement of financial activities.

### **2.9 Cash and cash equivalents**

Cash and cash equivalents include deposits with financial institutions, which are subject to an insignificant risk of changes in value.

### **2.10 Plant and equipment**

#### 2.10.1 Measurement

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

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

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



## **2. Significant accounting policies (Cont'd)**

### **2.10 Plant and equipment (Cont'd)**

#### 2.10.2 Depreciation

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

	Useful lives
Office equipment	5 years
Renovation	5 years

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

Fully depreciated assets still in use are retained in the financial statements.

#### 2.10.3 Subsequent expenditure

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

#### 2.10.4 Disposal

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

### **2.11 Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.12 Financial liabilities**

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

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

### **2.13 Trade and other payables**

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business is longer). Otherwise, they are presented as non-current liabilities.

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

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

### **2.14 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.15 Funds**

Restricted fund balance is restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

### **2.16 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

## **2. Significant accounting policies (Cont'd)**

### **2.17 Events after the reporting date**

Events after the reporting date that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

## **3. Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, 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 Judgements made in applying accounting policies**

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

#### Government grants

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

### **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.

#### Impairment of trade and other receivables

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

In determining the ECL of trade and other receivables, the Company has used one year of historical losses data to determine the loss rate and applied an adjustment against the historical loss rate based on the change in Gross Domestic Product (GDP) and unemployment rate to reflect the current and forward-looking information.

As at the reporting date, there is no ECL provided.

#### 4. Income tax

The Company is a charity registered under the Charities Act since 14 April 2005. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

#### 5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers:

	Note	2021 S\$	2020 S\$
<b>Revenue from:</b>			
Engagement fees		164,774	241,215
Ticket sales		6,111	26,123
Touring		109,000	100,000
Donations	6	63,748	85,579
Arts education programme		24,680	22,220
Miscellaneous income		12,489	8,954
		<u>380,802</u>	<u>484,091</u>
Timing of transfer of services:			
- At a point in time		271,802	384,091
- Over time		109,000	100,000
		<u>380,802</u>	<u>484,091</u>

(b) Contract liabilities

	2021 S\$	2020 S\$
Amounts received in advance for production fees and sponsorship support	<u>60,000</u>	<u>100,000</u>

(i) Income recognised in relation to contract liabilities

	2021 S\$	2020 S\$
Revenue recognised in current period that was included in contract liabilities balance at the beginning of the year	<u>100,000</u>	<u>55,450</u>

The contract liabilities relate to the production fees and sponsorship support for the unsatisfied performance obligation in providing the production to be held. Revenue will be recognised when the production are held.

#### 6. Donations

	2021 S\$	2020 S\$
Tax exempt donations	13,649	44,260
Non-tax exempt donations	<u>50,099</u>	<u>41,319</u>
	<u>63,748</u>	<u>85,579</u>

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$10,894 (2020: S\$29,260) pursuant to its IPC status.

**7. Cash and cash equivalents**

	2021 S\$	2020 S\$
Cash at bank	<u>508,132</u>	<u>346,121</u>

At the reporting date, the carrying amount of cash and cash equivalents approximate its fair value.

**8. Trade and other receivables**

	2021 S\$	2020 S\$
Trade receivables		
- Third parties	<u>26,826</u>	<u>5,325</u>
Other receivables		
- Deposits	875	7,955
- Grant receivables	22,960	30,508
- Non-trade receivables	<u>1,750</u>	<u>0</u>
	<u>25,585</u>	<u>38,463</u>
	<u>52,411</u>	<u>43,788</u>

Trade receivables are non-interest bearing and are generally on 30 days' term.

Non-trade receivables are unsecured, non-interest bearing and are repayable on demand.

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

**9. Plant and equipment**

	Office equipment S\$	Renovation S\$	Total S\$
<b>Cost</b>			
At 1 April 2019	0	4,550	4,550
Written off	4,130	0	4,130
At 31 March 2020 and 31 March 2021	<u>4,130</u>	<u>4,550</u>	<u>8,680</u>
<b>Accumulated depreciation</b>			
At 1 April 2019	0	4,550	4,550
Written off	344	0	344
At 31 March 2020	<u>344</u>	<u>4,550</u>	<u>4,894</u>
Depreciation	826	0	826
At 31 March 2021	<u>1,170</u>	<u>4,550</u>	<u>5,720</u>
<b>Carrying amount</b>			
31 March 2020	<u>3,786</u>	<u>0</u>	<u>3,786</u>
31 March 2021	<u>2,960</u>	<u>0</u>	<u>2,960</u>

## 10. Trade and other payables

	2021 S\$	2020 S\$
Trade payables		
- Third parties	24,890	47,372
Other payables		
- Accruals	5,992	5,992
- Deferred grant income	0	30,508
- Non-trade payables	5,946	9,630
	<u>11,938</u>	<u>46,130</u>
	<u>36,828</u>	<u>93,502</u>

Trade payables are non-interest bearing and are generally on 30 days' term.

Non-trade payables are unsecured, non-interest bearing and repayable on demand.

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

## 11. General fund

The general fund is expendable at the discretion of the Management in furtherance of the Company's objectives and purposes.

## 12. Related party transactions

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its related parties took place at terms agreed between the parties during the financial year:

	2021 S\$	2020 S\$
Professional fees paid to a director	4,300	4,130

### (b) Compensation of key management personnel

The remuneration of key management personnel during the financial year is as follows:

	2021 S\$	2020 S\$
<u>Executives' remuneration</u>		
Salaries and other short-term employee benefits	126,821	58,130
Post-employment benefits – contribution to CPF	21,420	12,007
Project fees	19,670	19,940
	<u>167,371</u>	<u>90,077</u>
Number of key personnel		
No. of executives of the Company in remuneration bands:		
- Below S\$100,000	3	3

### 13. Financial instruments

The aggregate carrying amounts of financial assets and liabilities of the Company as at the end of financial year are as follows:

	2021 S\$	2020 S\$
Financial assets, at amortised cost	560,543	389,909
Financial liabilities, at amortised cost	<u>36,828</u>	<u>62,994</u>

### 14. Financial risk management

The Company is mainly exposed to credit risk, liquidity risk and interest rate risk.

Risk management is carried out under policies approved by the Board of Directors. The board reviews and agrees on policies and procedures for management of these risks.

#### 14.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Company.

##### *Risk management*

The Company adopts the following policy to mitigate the credit risk.

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

The Company 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 Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company has no significant concentration of credit risk.

##### *Impairment of financial assets*

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

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

The Company has minimal exposure to credit risks due to the nature of its activities. As at the date of this report, major receivables have been collected.

#### 14.2 Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets or liabilities.

Management manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate to finance the Company's operations.

## 14. Financial risk management (Cont'd)

### 14.2 Liquidity risk (Cont'd)

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

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2021</b>			
<b>Financial assets</b>			
Cash and cash equivalents	508,132	0	508,132
Trade and other receivables	<u>52,411</u>	<u>0</u>	<u>52,411</u>
	<u>560,543</u>	<u>0</u>	<u>560,543</u>
<b>Financial liabilities</b>			
Trade and other payables	<u>(36,828)</u>	<u>0</u>	<u>(36,828)</u>
<b>Net financial assets</b>	<u>563,503</u>	<u>0</u>	<u>563,503</u>
<b>2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents	346,121	0	346,121
Trade and other receivables	<u>43,788</u>	<u>0</u>	<u>43,788</u>
	<u>389,909</u>	<u>0</u>	<u>389,909</u>
<b>Financial liabilities</b>			
Trade and other payables (excluding deferred grant income)	<u>(62,994)</u>	<u>0</u>	<u>(62,994)</u>
<b>Net financial assets</b>	<u>326,915</u>	<u>0</u>	<u>326,915</u>

### 14.3 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's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

## 15. Fair values

As at 31 March 2021, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.



## 16. Reserve position and policy

The Company's reserve position for financial year ended 31 March 2021 is as follows:

		2021	2020	Increase
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	General Fund	467	200	133
B	Restricted Fund	N/A	N/A	N/A
C	Endowment Fund	N/A	N/A	N/A
D	Total Funds	467	200	133
E	Total Annual Operating Expenditure	817	734	11
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.57	0.27	

Reference:

- C. An endowment fund consists of assets, funds 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 expenses related to artistic and production costs, audience development and education cost and governance and administrative costs.

The Company's reserve policy is as follows:

The reserve policy of the Company provides financial stability and the means for the development of the Company's activities. The Management intends to maintain the reserves at a level sufficient for its operating needs. The board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil their continuing obligations.

## 17. Management of conflict of interest

One of the Board members, who is also a co-founder of the Company, has served for more than 10 consecutive years to provide continuity after the Board renewal in 2019.

During the current and prior financial years, none of the Board members received any remuneration from the Company.

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

The Company have conducted 3 (2020: 3) Board meetings during the financial year. All Board members are in attendance during those meetings.

**18. Impact of COVID-19 (Coronavirus disease 2019)**

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2021. The principal activities of the Company is creation and performance of puppetry in Singapore. Summarised below is the impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. The government has also implemented assistance measure which might mitigate some of the impact of COVID-19 on the Company's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the next financial period. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

**19. Authorisation of financial statements**

These 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 Company on 30 September 2021.