

THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

DIRECTORS' STATEMENT

for the year ended 31 March 2021

The directors are pleased to present their statement to the members together with the audited financial statements of THE CHINESE OPERA INSTITUTE [the "Institute"] for the financial year ended 31 MARCH 2021.

Opinion Of The Directors

In the opinion of the directors,

- (a) the financial statements of the Institute as set out on pages 4 to 25 are drawn up so as to give a true and fair view of the financial position of the Institute as at 31 MARCH 2021, and the financial performance, changes in equity and cash flows of the Institute for the financial year then ended, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

Directors

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

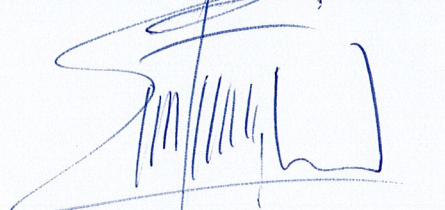
LIM FANG HUA
TAN YOKE HAN
LOW HEE TANG

ANG MONG SENG
LIM HUAN CHIANG
KANG GIM SENG

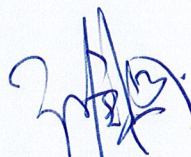
Auditors

Messrs S C TEO & CO. have expressed their willingness to accept re-appointment as independent auditors.

On Behalf Of The Board Of Directors



LIM FANG HUA



KANG GIM SENG

SINGAPORE : 2ND NOVEMBER 2021

S C TEO & CO.

Public Accountants & Chartered Accountants

149 Rochor Road #05-07 Fu Lu Shou Complex Singapore 188425

Tel: 63365206, 63365204, 63365202 Fax: 63365203

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **THE CHINESE OPERA INSTITUTE** [the Charity], which comprise the statement of financial position as at 31 MARCH 2021 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 a summary of significant accounting policies as set out on pages 4 to 25.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the 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 Charity as at 31 MARCH 2021 and of the financial performance, changes in the funds and cash flows of the Charity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore 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 Institute 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 1].

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

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

Responsibilities of Management and 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 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 unauthorized use or disposition; and transactions are properly authorized 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :-

Identify and assess the risks of material

- misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

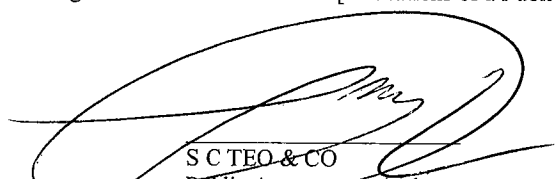
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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


S C TEO & CO
Public Accountants And
Chartered Accountants
Singapore

Dated : 2ND NOVEMBER 2021

THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
GENERAL FUND			
INCOME			
Art Education Programme		2,040	15,220
Course Fee		5,140	10,272
Donation	4	10,000	40,450
Grants	5	90,450	40,800
Interest Income		3,616	3,487
Performance Fee		1,200	-
Other Income	6	<u>81,237</u>	<u>42,239</u>
<i>Total Income</i>		<u>193,683</u>	<u>152,468</u>
COST AND EXPENSES			
Depreciation Of Plant And Equipment		13,437	13,437
Salaries And Employees' Benefits	7	108,854	109,456
Other Operating Expenses	8	<u>90,427</u>	<u>188,874</u>
<i>Total Cost And Expenses</i>		<u>212,718</u>	<u>311,767</u>
NET DEFICIT FOR THE YEAR		(<u>19,035</u>)	(<u>159,299</u>)
CORD FUND			
EXPENDITURES			
Grants		-	3,750
Other Operating Expenses		<u>36,343</u>	<u>36,341</u>
<i>Total Cost And Expenses</i>		<u>36,343</u>	<u>40,091</u>
NET DEFICIT REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(<u>55,378</u>)	(<u>199,390</u>)

The annexed notes form an integral part of and should be read in conjunction with these accounts.

STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
Assets			
Non-Current Assets			
Plant And Equipment - Net	9	<u>12,292</u>	<u>25,729</u>
Current Assets			
Other Receivables	10	31,887	24,052
Fixed Deposits		315,212	311,597
Cash And Bank Balances		<u>174,875</u>	<u>208,639</u>
Total Current Assets		<u>521,974</u>	<u>544,288</u>
Total Assets		<u><u>534,266</u></u>	<u><u>570,017</u></u>
Equity And Liabilities			
Equity			
Accumulated Fund	(79,548)	(60,513)
Endowment Fund		100,000	100,000
Singapore Chinese Opera			
Research And Development Fund		<u>480,256</u>	<u>516,599</u>
Total Equity		<u>500,708</u>	<u>556,086</u>
Current Liabilities			
Other Payables	11	<u>33,558</u>	<u>13,931</u>
Total Equity And Liabilities		<u><u>534,266</u></u>	<u><u>570,017</u></u>

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THE CHINESE OPERA INSTITUTE

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STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		\$	\$
ENDOWMENT FUND			
Balance As At Beginning / End Of The Year		<u>100,000</u>	<u>100,000</u>
ACCUMULATED FUND			
Balance As At The Beginning Of The Year		(60,513)	98,786
Total Comprehensive Income For The Year		(<u>19,035</u>)	(<u>159,299</u>)
Balance As At The End Of The Year		(<u>79,548</u>)	(<u>60,513</u>)
SINGAPORE CHINESE OPERA			
RESEARCH AND DEVELOPMENT FUND	4		
Balance As At The Beginning Of The Year		516,599	556,690
Movement During The Year		(<u>36,343</u>)	(<u>40,091</u>)
Balance As At The End Of The Year		<u>480,256</u>	<u>516,599</u>

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THE CHINESE OPERA INSTITUTE

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STATEMENT OF CASH FLOW
for the year ended 31 March 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash Flows From Operating Activities		
Deficit For The Year	(55,378)	(199,390)
<i>Adjustments For :-</i>		
Depreciation Of Plant And Equipment	13,437	13,437
Interest Income	(3,616)	(3,487)
<i>Operating Deficit Before Working Capital Changes</i>	(45,557)	(189,440)
Changes In Working Capital		
Receivables	(7,835)	1,297
Payables	<u>19,627</u>	<u>7,278</u>
Net Cash Used In Operating Activities	(33,765)	(180,865)
Cash Flows From Investing Activities		
Purchase Of Plant And Equipment	-	(1,468)
Interest Received	<u>3,616</u>	<u>3,487</u>
Net Cash From Investing Activities	<u>3,616</u>	<u>2,019</u>
Cash Flows From Financing Activities		
Net Cash From Financing Activities	<u>-</u>	<u>-</u>
Net Decrease In Cash And Cash Equivalents	(30,149)	(178,846)
Cash And Cash Equivalents At Beginning Of The Year	<u>520,236</u>	<u>699,082</u>
Cash And Cash Equivalents At End Of The Year	<u><u>490,087</u></u>	<u><u>520,236</u></u>

Note : Cash And Cash Equivalents Comprises Of Bank Balances And Fixed Deposits.

The annexed notes form an integral part of and should be read in conjunction with these accounts.

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THE CHINESE OPERA INSTITUTE

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NOTES TO THE ACCOUNTS

31 March 2021

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

1. Organization Information

The financial statements of THE CHINESE OPERA INSTITUTE for the year ended 31 March 2021 were authorized for issue in accordance with a resolution of the directors on 2 November 2021.

The Institute is registered and operates in the Republic of Singapore. The registered office of THE CHINESE OPERA INSTITUTE is located at 80 Raffles Place #25-01 UOB Plaza 1 Singapore 048624. The principal place of operation is located at 2 Allenby Road Futsing Association Building # 05-01 Singapore 209973.

2. Principal Activities

The principal activities of the Institute are those of develop, promote, establish and manage a professional Chinese opera in Singapore.

3. Significant Accounting Policies**(a) Basis Of Preparation And Accounting**

The financial statements of the Institute have been prepared in accordance with the Singapore Financial Reporting Standards [FRS] and applicable requirements of Singapore Law.

The accounts expressed in Singapore dollars [SGD] [also the functional currency] are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below.

Adoption Of New And Revised FRS

The Institute adopted the new or revised FRS and Interpretations to FRS ["INT FRS"] that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020.

Amendments To References To The Conceptual Framework In FRS Standards

Amendments To FRS 1 And FRS 8 Definition Of Material

The adoption of these new / revised FRS and INT FRS did not result in changes to the Institute's accounting policies nor has significant impact on these financial statements.

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NOTES TO THE ACCOUNTS

31 March 2021

New And Revised FRS Issued But Not Yet Effective

At the date of authorization of these financial statements, certain new / revised FRS have been issued and are relevant to the Institute's operations but are only effective for future periods.

Effective For Financial Year Beginning 1 June 2020

Amendments To FRS 116 Leases : Covid-19 Related Rent Concessions

Effective For Financial Year Beginning 1 January 2021

Amendments To :

FRS109 Financial Instruments,

FRS 39 Financial Instruments : Recognition and Measurement,

FRS 107 Financial Instruments : Disclosures,

FRS 116 Leases : Interest Rate Benchmark Reform – Phase 2.

Effective For Financial Year Beginning 1 January 2022

Amendments To FRS16 Property, Plant And Equipment : Proceeds Before Intended Use

Amendments To FRS 37 Provisions, Contingent Liabilities And Contingent Assets : Onerous Contracts – Cost Of Fulfilling A Contract

Annual Improvements To FRSs 2018 – 2020

Effective For Financial Year Beginning 1 January 2023

Amendments To FRS 1 Presentation Of Financial Statements : Classification Of Liabilities As Current Or Non-Current

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

The preparation of financial statements in conformity with the FRS requires management to exercise its judgment in the process of applying the Institute's accounting policies. It also requires the use of accounting estimates and assumptions that affects the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognized in the financial statements is included.

(b) Critical Accounting Estimates And Judgments

Estimates and judgments are currently evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in the financial statements, the following summarizes estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgments made in the process of applying the Institute's accounting policies :-

Provision For Expected Credit Losses Of Receivables

The Institute uses a provision matrix to calculate estimated credit losses [ECL] for its 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 Institute's historical observed default rates. The Institute 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 analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and estimated credit losses is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Institute's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Depreciation Of Property, Plant And Equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives. Management estimates the useful lives of these assets to be within 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment Of Non-Financial Assets

The Institute assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, [or, where applicable, when an annual impairment testing for an asset is required], the Institute 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 assets is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss.

A previously 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 recognized. 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 recognized previously. Such reversal is recognized in profit or loss.

(c) Plant And Equipment

All plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use and the cost of dismantling and removing items and restoring the site. When parts of an item of plant and equipment have different useful lives, they are accounted as separate items of plant and equipment. The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute and its costs can measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in the income statement as incurred.

Depreciation is calculated by using the straight line method to write off the cost of the assets over their estimated useful lives which have been taken as follows :-

Computers	5 Years
Furniture And Fittings	5 Years
Office Equipment	5 Years
Opera Costumes, Instruments And Equipment	5 Years
Reference Books	5 Years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

The gain and loss arising from the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and carrying amounts of the asset and is recognized in the income statement.

(d) Financial Instruments

(i) Financial Assets

Initial Recognition And Measurement

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

At initial recognition, the Institute 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Subsequent Measurement

Investments In Debt Instruments

Subsequent measurement of debt instruments depends on the Institute'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 amortized cost, FVOCI and FVPL. The Institute only has debt instruments at amortized 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 amortized cost. Financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through the amortization process.

Investments In Equity Instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Institute 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 recognized in profit or loss when the Institute's right to receive payments is established. For investments in equity instruments which the Institute has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognized in profit or loss.

Derecognition

A financial asset is derecognized 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 recognized in other comprehensive income for debt instruments is recognized in profit or loss.

(ii) Financial Liabilities

Initial Recognition And Measurement

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

All financial liabilities are recognized 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 amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Derecognition

A financial liability is derecognized 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 recognized in profit or loss.

(e) Impairment Of Financial Assets

The Institute recognizes 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 Institute 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 recognized 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 recognized for credit losses expected over the remaining life of the exposure, irrespective of timing of the default [a lifetime ECL].

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

(f) Other Receivables

Receivables from others are recognized and carried at cost less impairment losses on any uncollectible amounts.

(g) Cash And Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, fixed deposits.

(h) Other Payables

Liabilities for other amounts payable are carried at amortized cost. Interest bearing liabilities are recorded at fair value and are subsequently stated at amortized cost. Any difference between the cost and redemption value is taken to the profit and loss over the period of the borrowings using the effective interest method.

(i) Revenue Recognition

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

Income is recognized when the Institute 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 recognized is the amount allocated to the satisfied performance obligation.

Income from AEP, performance and course conducted are accounted by reference to completion of the specific transaction assessed on the basis of the approximation of actual service provided at the balance sheet date.

Interest Income – On A Time Proportion Basis Using The Effective Interest Method

(j) Government Grants

Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses, the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

(k) Employee Benefits

Contributions to defined contribution plans as defined by the laws of Singapore in which the Institute operates are recognized as an expense in the profit and loss account as incurred.

Employee entitlements to annual leave are recognized when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(l) Leases

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

Right-Of-Use Assets

The Institute recognizes 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 include the amount of lease liabilities recognized, 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 Institute 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 3(c).

The Institute's right-of-use assets are presented within property, plant and equipment [Note 8].

Lease Liabilities

At the commencement date of the lease, the Institute recognizes 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 Institute and payments of penalties for terminating the lease, if the lease term reflects the Institute exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized 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 Institute 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 CHINESE OPERA INSTITUTE

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The Institute's lease liabilities are included in borrowings.

Short-Term Leases And Leases Of Low-Value Assets

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

(I) Income Tax

No provision for taxation is made as the Institute is registered as a charitable institution under the Charities Act Cap. 37.

4. Donation

Donation from operation amounting to S\$10,000 <2020 : S\$40,4500> are tax deductible.

5. Grants

	<u>2021</u>	<u>2020</u>
	\$	\$
Cultural Matching Fund	40,450	40,800
NAC	50,000	-

6. Other Income

Included under other income are :-

	<u>2021</u>	<u>2020</u>
	\$	\$
CORD Management Fee	36,000	36,000
Jobs Support Scheme	40,800	-
Special Employment Credit	-	692
Wage Credit Scheme	1,677	1,597

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7. Staff Costs

Included under staff costs [including key management] are :-

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries - Staff	93,600	94,379
Other Costs	542	202
Central Provident Fund	<u>14,712</u>	<u>14,875</u>
	<u>108,854</u>	<u>109,456</u>

8. Other Operating Expenses

Included under other operating expenses are :-

	<u>2021</u>	<u>2020</u>
	\$	\$
Rental	48,000	48,000
Management Fees	36,000	36,000

9. Plant And Equipment

Cash flow analysis of the Institute's capital expenditure as follows :-

	<u>2021</u>	<u>2020</u>
	\$	\$
Acquisition By Cash Payments	<u>-</u>	<u>1,468</u>

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2021	Computer \$	Furniture And Fittings \$	Office Equipment \$	Opera Costumes Instruments \$	Renovation \$	Total \$
<i>Cost</i>						
Balance At 1 April 2020	61,601	43,362	67,617	114,788	41,505	328,873
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance At 31 March 2021	61,601	43,362	67,617	114,788	41,505	328,873
<i>Accumulated Depreciation</i>						
Balance At 1 April 2020	60,008	40,920	62,737	114,576	24,903	303,144
Additions	1,046	1,128	2,801	161	8,301	13,437
Disposals	-	-	-	-	-	-
Balance At 31 March 2021	61,054	42,048	65,538	114,737	33,204	316,581
<i>Net Book Value</i>						
Balance At 31 March 2021	547	1,314	2,079	51	8,301	12,292
Balance At 31 March 2020	1,593	2,442	4,880	212	16,602	25,729

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	2020	Computer \$	Furniture And Fittings \$	Office Equipment \$	Opera Costumes Instruments \$	Renovation \$	Total \$
<i>Cost</i>							
Balance At 1 April 2019		60,133	43,362	67,617	114,788	41,505	327,405
Additions		1,468	-	-	-	-	1,468
Disposals		-	-	-	-	-	-
Balance At 31 March 2020		61,601	43,362	67,617	114,788	41,505	328,873
<i>Accumulated Depreciation</i>							
Balance At 1 April 2019		58,962	39,792	59,936	114,415	16,602	289,707
Additions		1,046	1,128	2,801	161	8,301	13,437
Disposals		-	-	-	-	-	-
Balance At 31 March 2020		60,008	40,920	62,737	114,576	24,903	303,144
<i>Net Book Value</i>							
Balance At 31 March 2020		1,593	2,442	4,880	212	16,602	25,729
Balance At 31 March 2019		1,171	3,570	7,681	373	24,903	37,698

10. Other Receivables

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits	20,900	20,900
Fees Receivable	2,080	900
Grant Receivable	6,780	-
Prepayments	<u>2,127</u>	<u>2,252</u>
	<u><u>31,887</u></u>	<u><u>24,052</u></u>

11. Other Payables

	<u>2021</u>	<u>2020</u>
	\$	\$
Accruals	20,153	13,931
Deferred Grant Income	<u>13,405</u>	<u>-</u>
	<u><u>33,558</u></u>	<u><u>13,931</u></u>

12. Commitments

	<u>2021</u>	<u>2020</u>
	\$	\$
Lease Payments Payable :-		
- Within One Year	48,000	48,000
- One Year But Not More Than Five Years	<u>36,000</u>	<u>84,000</u>
	<u><u>84,000</u></u>	<u><u>132,000</u></u>

13. Financial Risk Management Objectives And Policies

The Institute's activities expose it to market risk [including interest rate risk], credit risk and liquidity risk. The Institute's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the Institute's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Institute. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Institute's activities.

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There has been no change to the Institute's exposure to these financial risks or the manner in which they manage and measure the risk.

Categories Of Financial Instruments

	<u>2021</u>	<u>2020</u>
	\$	\$
<i>Financial Assets</i>		
Other Receivables	29,760	21,800
Cash And Cash Equivalents	<u>490,087</u>	<u>520,236</u>
	<u>519,847</u>	<u>542,036</u>
<i>Financial Liabilities</i>		
Other Payables	<u>33,558</u>	<u>13,931</u>

Financial Risks Management

The Institute's risk management seeks to minimize the potential adverse effects from these exposures. The Institute does not hold any derivation financial instruments for speculative purposes. The management reviews and agrees policies for managing each of these risks and they are summarized below.

(a) Market Risk***Interest Rate Risk***

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

The Institute is exposed to interest rate risk arises relate primarily to the interest-earning financial assets.

The Institute's policy is to obtain competitive interest rates at the most favourable terms and conditions available for the financial assets.

Maturity of financial instruments exposed to interest rate risk :-

	<u>2021</u>	<u>2020</u>
	\$	\$
<i>Within One Year - Floating Rates</i>		
Fixed Deposits	<u>315,212</u>	<u>311,597</u>

Interest in financial instruments subject to floating interest rates is re-price regularly where financial instruments at fixed rates are fixed until the maturity of the instruments. Other financial instruments that are not included in the above table are not subject to interest rate risks.

Sensitivity Analysis For Interest Rate Risk

A change in the market interest rate of 50 basis points higher or lower with no change to other variables, the annual interest income of the Institute would be higher or lower by S\$1,576 <2020 : S\$1,558>.

(b) Credit Risk

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

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

The Institute 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 Institute 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.

To minimize credit risk, the Institute has developed and maintained the Institute's credit risk gradings to categorize exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Institute's own trading records to rate its major customers and other debtors. The Institute 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

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The Institute 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 Institute categorizes 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 Institute's current credit risk grading framework comprises the following categories :-

Category	Definition Of Category	Basis For Recognizing 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

The table below details the credit quality of the Institute'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	Loss Allowance	Net Carrying Amount
				S\$	S\$	S\$
31 March 2021						
Other Receivables	10	I	12-Month ECL	29,260	-	29,260
					-	
31 March 2020						
Other Receivables	10	I	12-Month ECL	21,800	-	21,800
					-	

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Bank balances are placed with reputable banks with high credit rating and no history of default.

(c) *Liquidity Risk*

Liquidity risk is the risk that the Institute will encounter difficulty in meeting financial obligations due to shortage of funds. The Institute's exposure to liquidity arises primarily from the timing of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Institute monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Institute's operations and mitigate the effects of fluctuations in cash flows.

At the balance sheet date, all of the Institute's financial liabilities have a maturity of less than one year.

The Institute does not have any significant liquidity risk exposure.

14. Fair Values

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Other Financial Assets And Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities approximate their respective fair value due to the relatively short-term maturity of these financial instruments.

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DETAILED INCOME ACCOUNT

for the year ended 31 March 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
GENERAL FUND		
INCOME		
- AEP	2,040	15,220
- CORD Management Fee	36,000	36,000
- Courses	5,140	10,272
- Donation	10,000	40,450
- Grants	90,450	40,800
- Interest Income	3,616	3,487
- Jobs Support Scheme	40,800	-
- Performance Fee	1,200	-
- Special Employment Credit	-	692
- Sundry	2,760	3,950
- Wage Credit Scheme	1,677	1,597
	<u>193,683</u>	<u>152,468</u>
LESS Expenditures As Per Schedule	<u>212,718</u>	(<u>311,767</u>)
DEFICIT FOR THE YEAR	(<u>19,035</u>)	(<u>159,299</u>)
CORD FUND		
EXPENDITURES		
Administrative Fee	300	300
Bank Charges	43	41
Grants	-	3,750
Management Fee	36,000	36,000
DEFICIT FOR THE YEAR	(<u>36,343</u>)	(<u>40,091</u>)

The above statements do not form part of the audited statutory accounts of the institute.

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DETAILED EXPENDITURE ACCOUNT

for the year ended 31 March 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Accountancy Fee	10,000	15,000
Auditors' Remuneration	1,700	1,600
Bank Charges	213	164
Central Provident Fund	14,712	14,875
Cleaning Expenses	1,380	2,400
Contact Fee	1,485	-
Depreciation	13,437	13,437
Entertainment, Gifts And Souvenir	3,502	6,039
Events Expenses	-	1,272
General Expenses	1,376	784
Instructors' Fee	4,630	14,830
Insurance	89	524
Magazine	406	405
Medical Fee	345	30
Office Maintenance	2,387	771
Performance Expenses	600	81,335
Postage	30	49
Printing And Stationery	192	634
Professional Fee	3,023	2,729
Rental Of Office	48,000	48,000
Rental Of Office Equipment	2,517	1,967
Salaries	93,600	94,379
Skill Development Levy	197	172
Sponsorships	-	3,600
Telephone, Internet And Website Charges	3,132	3,921
Transport And Travelling Expenses	161	357
Video Production Fee	3,900	-
Water And Electricity	<u>1,704</u>	<u>2,493</u>
	<u>212,718</u>	<u>311,767</u>

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