

*Directors' Statement and
Audited Financial Statements*

3Pumpkins Limited

(Co. Reg. No. 201918810N)

30 April 2023



General Information

Directors

Lin Shiyun	
Quek Zhisheng, Darren	(appointed on 06.06.2022)
Lim Jingzhou	(appointed on 06.06.2022)

Secretary

Thorng Tohkingkeo

Registered Office

176 Boon Lay Drive
#01-362 Boon Lay Green
Singapore 640176

Independent Auditor

Alpes Assurance LLP

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3Pumpkins Limited
(Co. Reg. No. 201918810N)

Directors' Statement

The directors are pleased to present their statement to the members together with the audited financial statements of 3Pumpkins Limited ("the Company") for the financial year ended 30 April 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 30 April 2023 and the financial performance, changes in fund and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Lin Shiyun
Quek Zhisheng, Darren
Lim Jingzhou

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

The Company is limited by guarantee and has no share capital. None of the director holding office at the end of the financial year had an interest in the share capital of the Company that is required to be reported pursuant to the Twelfth Schedule of the Singapore Companies Act 1967.

4. INDEPENDENT AUDITOR

The independent auditor, Alpes Assurance LLP, has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors,



Lin Shiyun
Director



Quek Zhisheng, Darren
Director

Singapore
26 September 2023



**Independent Auditor's Report to the Member of 3Pumpkins Limited
for the financial year ended 30 April 2023**
(Co. Reg. No. 201918810N)

Report on the Financial Statements

We have audited the financial statements of 3Pumpkins Limited ("the Company"), which comprise the balance sheet as at 30 April 2023, the statement of comprehensive income, statement of changes in fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") 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 30 April 2023 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 other information. The other information comprises the Directors' Statement, but does not include the financial statements and our auditor's report thereon.

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

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



**Independent Auditor's Report to the Member of 3Pumpkins Limited
for the financial year ended 30 April 2023 (continued)**
(Co. Reg. No. 201918810N)

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 unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional 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.



**Independent Auditor's Report to the Member of 3Pumpkins Limited
for the financial year ended 30 April 2023 (continued)**
(Co. Reg. No. 201918810N)


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

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

Report on Other Legal and Regulatory Requirements

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



Alpes Assurance LLP
Public Accountants and
Chartered Accountants

Singapore
26 September 2023

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Balance Sheet as at 30 April 2023

	Note	2023 \$	2022 \$
Non-current assets			
Plant and equipment	4	12,070	13,585
Right-of-use assets	5	63,671	36,719
		<u>75,741</u>	<u>50,304</u>
Current assets			
Trade receivables	6	36,800	–
Other receivables	7	6,177	17,667
Prepayment		3,032	2,347
Cash and cash equivalents		277,027	92,144
		<u>323,036</u>	<u>112,158</u>
Current liabilities			
Trade payables	8	6,492	615
Other payables	9	58,341	31,573
Amount due to a director	10	176	403
Lease liabilities	11	30,359	27,094
Tax payable	12	21,030	5,015
		<u>116,398</u>	<u>64,700</u>
Net current assets		206,638	47,458
Non-current liability			
Lease liabilities	11	33,862	10,605
		<u>33,862</u>	<u>10,605</u>
Net assets		<u>248,517</u>	<u>87,157</u>
Funds			
Unrestricted funds	13	22,391	81,009
Restricted funds		226,126	6,148
		<u>248,517</u>	<u>87,157</u>

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

Statement of Comprehensive Income for the financial year ended 30 April 2023

		2023			2022		
	Note	Restricted fund	Unrestricted fund	Total funds	Restricted fund	Unrestricted fund	Total funds
		\$	\$	\$	\$	\$	\$
Income							
Donation income		96,966	46,686	143,652	44,604	54,057	98,661
Projects funding		647,641	–	647,641	314,130	67,990	382,120
Rendering of services		46,450	5,063	51,513	1,950	1,251	3,201
Sales of goods		–	–	–	3,600	1,415	5,015
Rental rebates		–	–	–	800	2,735	3,535
Government grants		39,989	–	39,989	–	25,089	25,089
Other income		–	–	–	–	3	3
	14	831,046	51,749	882,795	365,084	152,540	517,624
Expenditure							
Event expenses		(264,808)	(21,313)	(286,121)	(105,163)	(47,311)	(152,474)
Administrative expenses		(346,260)	(72,325)	(418,585)	(214,650)	(56,525)	(271,175)
Other charges		–	–	–	–	(633)	(633)
Finance cost		–	(714)	(714)	–	(1,143)	(1,143)
		(611,068)	(94,352)	(705,420)	(319,813)	(105,612)	(425,425)
Surplus before tax		219,978	(42,603)	177,375	45,271	46,928	92,199
Income tax expense		–	(16,015)	(16,015)	–	(5,015)	(5,015)
Surplus for the year	15	219,978	(58,618)	161,360	45,271	41,913	87,184
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		219,978	(58,618)	161,360	45,271	41,913	87,184

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

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Statement of Comprehensive Income for the financial year ended 30 April 2023 (continued)

2023	Restricted fund		Unrestricted fund	Total funds
	Tak Takut Kids Club	Other Projects	General Fund	
	\$	\$	\$	\$
INCOME				
Donation income	51,819	45,147	46,686	143,652
Projects funding	435,999	211,642	—	647,641
Rendering of services	700	45,750	5,063	51,513
Government grants	—	39,989	—	39,989
Total income	488,518	342,528	51,749	882,795
EXPENDITURE				
<i>Event expenses</i>				
Artist and crew fee	(26,800)	(17,949)	(2,000)	(46,749)
Designer fee	(3,500)	(1,800)	—	(5,300)
Facilitator fee	(43,890)	(27,510)	(840)	(72,240)
Laundry expenses	—	(74)	(162)	(236)
Meals and refreshment	(240)	(1,840)	(1,287)	(3,367)
Miscellaneous event expenses	(3,299)	(25,597)	(8,521)	(37,417)
Photograph and videograph costs	—	(414)	—	(414)
Project manager and producer fee	(42,550)	(60,295)	(6,720)	(109,565)
Rental of event space	(4,711)	—	—	(4,711)
Transportation	(995)	(1,583)	(1,381)	(3,959)
Workshop materials	(824)	(937)	(402)	(2,163)
	(126,809)	(137,999)	(21,313)	(286,121)
<i>Administrative expenses</i>				
Accounting fees	(10,364)	—	—	(10,364)
Advertising and marketing expenses	(3,029)	—	(932)	(3,961)
Auditor's remuneration	—	—	(3,750)	(3,750)
Assets expensed off	—	—	(10,093)	(10,093)
Bank charges	—	(8)	(313)	(321)
Central provident fund	(32,300)	—	—	(32,300)
Depreciation on plant and equipment	—	—	(14,434)	(14,434)
Depreciation on right-of-use assets	—	—	(26,664)	(26,664)
Director's remuneration	(95,703)	—	—	(95,703)
Fine and penalty	—	—	(600)	(600)
General expenses	(1,577)	—	(2,095)	(3,672)
Insurance	(1,774)	(346)	—	(2,120)
Printing and stationery	(3,235)	—	—	(3,235)
Professional fee	—	—	(930)	(930)
Provision of unutilised annual leave	—	—	(2,182)	(2,182)
Repair and maintenance	(1,697)	(300)	(1,227)	(3,224)
Salaries	(184,376)	—	—	(184,376)
Secretarial fee	—	—	(1,950)	(1,950)
Skill development levy	(570)	—	—	(570)
Subscription fee	—	(1,613)	(107)	(1,720)
Staff welfare	(1,342)	(968)	(5,329)	(7,639)
Tax fee	—	—	(948)	(948)
Telecommunication	—	(1,531)	—	(1,531)
Transportation	—	(169)	(690)	(859)
Upkeep of office equipment	—	(212)	(81)	(293)
Utilities	(5,146)	—	—	(5,146)
	(341,113)	(5,147)	(72,325)	(418,585)

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

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Statement of Comprehensive Income for the financial year ended 30 April 2023 (continued)

2023	Restricted fund		Unrestricted fund	Total funds
	Tak Takut Kids Club	Other Projects	General Fund	
	\$	\$	\$	\$
<i>Finance cost</i>				
Interest expense on lease liabilities	—	—	(714)	(714)
	—	—	(714)	(714)
Total expenditure	(467,922)	(143,146)	(94,352)	(705,420)
Surplus/(deficit) before tax	20,596	199,382	(42,603)	177,375
Income tax expense	—	—	(16,015)	(16,015)
Surplus/(deficit) for the year	20,596	199,382	(58,618)	161,360
Total funds brought forward	2,413	3,735	81,009	87,157
Total funds carried forward	23,009	203,117	22,391	248,517

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

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Statement of Comprehensive Income for the financial year ended 30 April 2023 (continued)

2022	Restricted fund		Unrestricted fund	Total funds
	Tak Takut Kids Club	Other Projects	General Fund	
	\$	\$	\$	\$
INCOME				
Donation income	44,604	—	54,057	98,661
Projects funding	195,333	118,797	67,990	382,120
Rendering of services	1,950	—	1,251	3,201
Sales of goods	3,600	—	1,415	5,015
Rental rebates	800	—	2,735	3,535
Government grants	—	—	25,089	25,089
Other income	—	—	3	3
Total income	246,287	118,797	152,540	517,624
EXPENDITURE				
<i>Event expenses</i>				
Artist and crew fee	(27,333)	(26,502)	(15,400)	(69,235)
Costume designer fee	—	—	(200)	(200)
Facilitator fee	(5,880)	(14,845)	(8,600)	(29,325)
Meals and refreshment	—	(210)	(1,248)	(1,458)
Miscellaneous event expenses	(1,016)	(9,810)	(1,835)	(12,661)
Photograph and videograph costs	(200)	(8,717)	(2,300)	(11,217)
Project manager and producer fee	(2,500)	(4,000)	(2,830)	(9,330)
Rental of event space	(2,685)	—	—	(2,685)
Transportation	(696)	(420)	(1,500)	(2,616)
Video channel expenses	—	(300)	—	(300)
Workshop materials	(49)	—	(13,398)	(13,447)
	(40,359)	(64,804)	(47,311)	(152,474)
<i>Administrative expenses</i>				
Accounting fees	—	(108)	(2,700)	(2,808)
Advertising and marketing expenses	(10)	(11)	(32)	(53)
Auditor's remuneration	—	—	(3,200)	(3,200)
Bank charges	—	(7)	(421)	(428)
Central provident fund	(16,670)	—	—	(16,670)
Depreciation on plant and equipment	—	—	(9,234)	(9,234)
Depreciation on right-of-use assets	—	—	(26,151)	(26,151)
Director's fee	—	(10,000)	(5,000)	(15,000)
Director's remuneration	(68,868)	—	—	(68,868)
Fine and penalty	—	—	(700)	(700)
General expenses	(623)	—	(1,665)	(2,288)
Printing and stationery	(2,827)	(45)	(227)	(3,099)
Professional fee	—	—	(900)	(900)
Provision of unutilised annual leave	(10,025)	—	—	(10,025)
Repair and maintenance	(1,076)	—	(1,389)	(2,465)
Salaries	(98,051)	—	—	(98,051)
Secretarial fee	—	—	(989)	(989)
Skill development levy	(329)	—	—	(329)
Subscription fee	—	(262)	(1,352)	(1,614)
Staff welfare	(1,400)	—	(880)	(2,280)
Tax fee	—	—	(750)	(750)
Telecommunication	—	(468)	(99)	(567)
Transportation	(642)	—	(68)	(710)
Utilities	(2,994)	(234)	(768)	(3,996)
	(203,515)	(11,135)	(56,525)	(271,175)

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

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Statement of Comprehensive Income for the financial year ended 30 April 2023 (continued)

2022	Restricted fund		Unrestricted fund	Total funds
	Tak Takut Kids Club	Other Projects	General Fund	
	\$	\$	\$	\$
<i>Other charge</i>				
Plant and equipment written off	—	—	(633)	(633)
	—	—	(633)	(633)
<i>Finance cost</i>				
Interest expense on lease liabilities	—	—	(1,143)	(1,143)
	—	—	(1,143)	(1,143)
Total expenditure	(243,874)	(75,939)	(105,612)	(425,425)
Surplus before tax	2,413	42,858	46,928	92,199
Income tax expense	—	—	(5,015)	(5,015)
Surplus for the year	2,413	42,858	41,913	87,184
Total funds brought forward	—	(39,123)	39,096	(27)
Total funds carried forward	2,413	3,735	81,009	87,157

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

3Pumpkins Limited
(Co. Reg. No. 201918810N)

Statement of Changes in Funds for the financial year ended 30 April 2023

	Restricted fund \$	Unrestricted fund \$	Total \$
Balance as at 1 May 2021	(39,123)	39,096	(27)
Total comprehensive income for the year	<u>45,271</u>	<u>41,913</u>	<u>87,184</u>
Balance as at 30 April 2022	6,148	81,009	87,157
Total comprehensive income/(loss) for the year	<u>219,978</u>	<u>(58,618)</u>	<u>161,360</u>
Balance as at 30 April 2023	<u><u>226,126</u></u>	<u><u>22,391</u></u>	<u><u>248,517</u></u>

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

Cash Flow Statement for the financial year ended 30 April 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax	177,375	92,199
Adjustments for:		
Depreciation on plant and equipment	14,434	9,234
Depreciation on right-of-use assets	26,664	26,151
Plant and equipment written off	–	633
Interest expense	714	1,143
Operating profit before working capital changes	219,187	129,360
(Increase)/decrease in trade and other receivables	(25,310)	11,989
Increase in prepayment	(685)	(1,434)
Increase/(decrease) in trade and other payables	32,645	(18,030)
Cash generated from operations	225,837	121,885
Tax paid	–	(746)
Net cash flows from operating activities	225,837	121,139
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment	(12,919)	(17,485)
Net cash flows used in investing activity	(12,919)	(17,485)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from a director	–	5,839
Repayment to a director	(227)	(9,276)
Repayment of lease liabilities	(27,808)	(26,973)
Net cash flows used in financing activities	(28,035)	(30,410)
Net increase in cash and cash equivalents	184,883	73,244
Cash and cash equivalents at beginning of year	92,144	18,900
Cash and cash equivalents at end of year	277,027	92,144

The accompanying notes form an integral part of financial statements.

Notes to the Financial Statements - 30 April 2023

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

1. CORPORATE INFORMATION

The Company is a public company limited by guarantee incorporated and domiciled in Singapore.

The registered office of the Company is located at 176 Boon Lay Drive #01-362 Boon Lay Green Singapore 640176.

The Company is limited by guarantee whereby each member of the Company undertakes to meet the debts and liabilities of the Company, in the events of its liquidation to an amount not exceeding \$1 per member. The Company has 1 (2022: 1) member at the end of reporting period.

The principal activities of the Company are:

- i) To provide community arts production and consultancy.
- ii) To provide social services for children and youths such as youth outreach services and adoption services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis except where otherwise indicated in the accounting policies below.

The financial statements are presented in Singapore Dollar (SGD or S\$) and all values are rounded to the nearest dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year; the Company has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Company for the current or prior financial years.

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that are potentially relevant to the Company that has been issued but not yet effective:

	<i>Effective date (Annual periods beginning on or after)</i>
Amendment to FRS 1: <i>Classification of liabilities as current or non-current</i>	1 January 2023
Amendment to FRS 8: <i>Definition of accounting estimates</i>	1 January 2023
Amendment to FRS 1: <i>Classification of liabilities as current or non-current</i>	1 January 2024
Amendment to FRS 1: <i>Non-current liabilities with covenants</i>	1 January 2024

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings	-	2	years
Office equipment	-	3	years
Renovation	-	2	years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

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

(c) *Impairment of non-financial assets*

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

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

Impairment loss are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

(d) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument.

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 cost 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.

Notes to the Financial Statements - 30 April 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets (continued)*

Initial recognition and measurement (continued)

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

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The measurement categories for classification of debt instruments are:

i) *Amortised cost*

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

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in FVOCI, changes in fair value are recognised in profit or loss.

De-recognition

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

(e) *Financial liabilities*

Initial recognition and measurement

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Financial liabilities (continued)*

Subsequent measurement

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

De-recognition

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

(f) *Cash and cash equivalents*

Cash and cash equivalents comprise cash in bank and on hand.

(g) *Provisions*

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

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

(h) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

As lessee

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

i) Right-of-use 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, as follows:

Premises	—	2 years
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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.

ii) 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.

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises 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 operating income". Alternatively, they are deducted in reporting the related expenses.

(k) Revenue

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

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

i) Sales of goods

The Company supplies art crafts. Revenue from the sales of these goods is recognised when the art craft is delivered to the customer (i.e. at a point in time). Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

ii) Donation income

Donation income is recognised when the Company's right to receive payment is established

iii) Rendering of services

Revenue from rendering of services that are of short duration is recognised when completed.

(l) Current income tax

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

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

Notes to the Financial Statements - 30 April 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

i) Judgement made in applying accounting policies

There were no material judgements made by the management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

ii) Estimates and assumptions

There were no material key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. PLANT AND EQUIPMENT

	Fixture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$
Cost:				
At 1 May 2021	4,125	2,992	1,028	8,145
Additions	4,008	2,307	11,170	17,485
Written off	(608)	(543)	—	(1,151)
At 30 April 2022	7,525	4,756	12,198	24,479
Additions	5,678	7,241	—	12,919
At 30 April 2023	13,203	11,997	12,198	37,398
Accumulated depreciation:				
At 1 May 2021	681	818	679	2,178
Charge for the year	3,310	1,140	4,784	9,234
Written off	(233)	(285)	—	(518)
At 30 April 2022	3,758	1,673	5,463	10,894
Charge for the year	5,062	3,746	5,626	14,434
At 30 April 2023	8,820	5,419	11,089	25,328
Net carrying amount:				
At 30 April 2022	3,767	3,083	6,735	13,585
At 30 April 2023	4,383	6,578	1,109	12,070

Notes to the Financial Statements - 30 April 2023

5. RIGHT-OF-USE ASSETS

	Premises
	\$
Cost:	
At 1 May 2021	56,753
Additions	44,292
Lease expired	(43,198)
At 30 April 2022	57,847
Additions	53,616
At 30 April 2023	111,463
Accumulated depreciation:	
At 1 May 2021	38,175
Charge for the year	26,151
Lease expired	(43,198)
At 30 April 2022	21,128
Charge for the year	26,664
At 30 April 2023	47,792
Net carrying amount:	
At 30 April 2022	36,719
At 30 April 2023	63,671

The Company has entered into lease contract for office premise. The maturity analysis of lease liabilities is presented in Note 11.

	2023	2022
	\$	\$
<u>Amount recognised in profit or loss:</u>		
Depreciation on right-of-use assets	26,664	26,151
Interest expense on lease liabilities	714	1,143
	<u>27,378</u>	<u>27,294</u>

The Company had total cash outflow for all the leases in 2023 of \$27,808 (2022: \$26,973).

6. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are general on 30 days' term. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to \$14,800 (2022: nil) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follow:

More than 90 days	<u>14,800</u>	<u>—</u>
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Notes to the Financial Statements - 30 April 2023

7. OTHER RECEIVABLES

	2023	2022
	\$	\$
Deposits	5,402	5,403
Sundry receivables	775	12,264
	<u>6,177</u>	<u>17,667</u>

8. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 30 to 60 days terms.

9. OTHER PAYABLES

Accrued liabilities	7,450	12,800
Advance billing to customers	36,800	–
CPF and salaries payables	–	6,757
Provision of unutilised annual leave	12,207	10,025
Sundry payables	1,884	1,991
	<u>58,341</u>	<u>31,573</u>

Other payables are non-interest bearing and have an average term of 3 months.

10. AMOUNT DUE TO A DIRECTOR

The amount due are non-trade related, unsecured, interest-free, repayable upon demand and are to be settled in cash.

11. LEASE LIABILITIES

Set out below are the carrying amount of lease liabilities and the movement during the year:

At beginning of year	37,699	19,237
Additions	53,616	44,292
Payments	<u>(27,094)</u>	<u>(25,830)</u>
At end of year	<u>64,221</u>	<u>37,699</u>
<i>Classified as:</i>		
Current liabilities	30,359	27,094
Non-current liabilities	<u>33,862</u>	<u>10,605</u>
	<u>64,221</u>	<u>37,699</u>

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

	2022	Additions	Cash flows	Non-cash changes Interest	2023
	\$	\$	\$	\$	\$
Lease liabilities	<u>37,699</u>	<u>53,616</u>	<u>(27,808)</u>	<u>714</u>	<u>64,221</u>

Notes to the Financial Statements - 30 April 2023

12. TAX PAYABLE

	2023	2022
	\$	\$
Balance at beginning of year	5,015	746
Tax paid	–	(746)
Under-provision in prior year	1,059	–
Current year's tax expense on profit	14,956	5,015
At end of year	<u>21,030</u>	<u>5,015</u>

13. UNRESTRICTED FUND

The unrestricted fund is general fund for meeting operating expenses incurred by the Company.

14. RESTRICTED FUND

Tak Takut Kids Club Project

Tak Takut Kids Club Project is a community youth centre serving the families of Boon Lay Drive, Singapore. TTKCP receives grants from the MCCY Partnership Development Fund and Quantedge Foundation, and public donations. Funds received for TTKCP are restricted solely for the operation of the Programme, and any unutilised grant and project donations are ring-fenced for the continued operation of the Programme.

15. INCOME TAX EXPENSE

(i) *Major component of income tax expense*

The major component of income tax expense for the period ended 30 April are:

Current year's tax expense on profit	(14,956)	(5,015)
Under-provision in prior year	(1,059)	–
Total income tax expense	<u>(16,015)</u>	<u>(5,015)</u>

(ii) *Relationship between tax expense and accounting profit*

A reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate for the year period 30 April 2023 and 30 April 2022 are as follows:

Surplus before tax	<u>177,375</u>	<u>92,199</u>
Tax expenses on profit before tax at 17% (2022: 17%)	(30,154)	(15,674)
Adjustments:		
Non-allowable items	(399)	(173)
Non-taxable items	–	2,209
Tax exemptions	15,806	5,865
Under-provision in prior year	(1,059)	–
Utilisation of tax losses brought forward	(209)	2,758
Total income tax expense	<u>(16,015)</u>	<u>(5,015)</u>

Notes to the Financial Statements - 30 April 2023

16. RELATED PARTY DISCLOSURES

In additions to those related party information disclosed elsewhere in the financial statements, the Company had the following transactions with its related parties, on terms agreed between the parties:

	2023	2022
	\$	\$
(a) <u>Significant related party transactions</u>		
<u>Director</u>		
Advance from	–	(5,839)
Project manager and producer fee	<u>(26,000)</u>	<u>–</u>
(b) <u>Compensation of key management personnel</u>		
Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Company. The directors of the Company and the general management of the Company are considered as key management personnel of the Company.		
<u>Executive director</u>		
Director's remuneration	(95,703)	(68,868)
Director's fees	<u>–</u>	<u>(15,000)</u>

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk is liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management policies and guidelines and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Company objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The Company's liquidity risk management policy is to monitor its working capital projections, taking into account the available banking and other borrowings facilities of the Company, and ensuring that the Company has adequate working capital to meet obligations and commitments due.

The table below analyses the maturity profile of the Company's financial liabilities at the end of the reporting period, based on contractual undiscounted payments.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Liquidity risk (continued)

	Total \$	Within one year \$	Within two to five years \$
2023			
Trade payables	6,492	6,492	—
Other payables	58,341	58,341	—
Amount due to a director	176	176	—
Lease liabilities	65,908	31,408	34,500
	<u>130,917</u>	<u>96,417</u>	<u>34,500</u>
2022			
Trade payables	615	615	—
Other payables	31,573	31,573	—
Amount due to a director	403	403	—
Lease liabilities	38,515	27,808	10,707
	<u>71,106</u>	<u>60,399</u>	<u>10,707</u>

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

However, the Company does not anticipate that the carrying amounts recorded at end of reporting period would be significantly different from the values that would eventually be received or settled. At the end of reporting period, the Company does not have any other financial instruments carried at fair value.

19. FUND MANAGEMENT

The primary objective of the Company is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primary to cover operational requirements.

Notes to the Financial Statements - 30 April 2023

20. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 109 categories:

	2023	2022
	\$	\$
<i>Financial assets carried at amortised cost</i>		
Trade receivables	36,800	—
Other receivables	6,177	17,667
Cash and cash equivalents	<u>277,027</u>	<u>92,144</u>
	<u>320,004</u>	<u>109,811</u>
<i>Financial liabilities at amortised cost</i>		
Trade payables	6,492	615
Other payables	58,341	31,573
Amount due to a director	<u>176</u>	<u>403</u>
	<u>65,009</u>	<u>32,591</u>

21. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 30 April 2023 were authorised for issue in accordance with a resolution of the directors on 26 September 2023.