# The Singapore Lyric Opera Limited

(Limited by Guarantee and not having a Share Capital)

**Registration Number: 199002445Z**

Annual Report

Year ended 31 March 2024

# Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2024.

In our opinion:

(a) the financial statements set out on pages FS1 to FS24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in funds and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 ("the Companies Act"), the Singapore Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations"), and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

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

Fong Jen Arthur
Lee Suan Hiang
Rolv Stokkmo
Hiroshi Kimura
Mak Yen-Chen Andrew
Marco Low Peng Kiat
Kuah Boon Kheng Joseph
Wong So Kwan

## Directors' interests

As the Company is limited by guarantee and has no share capital, no director who held office at the end of the financial year had interests in the capital of the Company either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The Company has an established policy on conflict of interest and declaration for staff and Board of Directors. The staff and Board of Directors are required to make full disclosure of interests, relationships and holdings that could potentially result in a conflict of interest, and abstain from discussions, and decision making when faced with conflict of interest situations.

## Share options

The Company is limited by guarantee and has not issued any share options.

## Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

**Fong Jen Arthur**
*Director*

**Lee Suan Hiang**
*Director*

30 August 2024

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# Independent auditors' report

Members of the Company
The Singapore Lyric Opera Limited

## Report on the audit of the financial statements

*Opinion*

We have audited the financial statements of The Singapore Lyric Opera Limited ("the Company"), which comprises the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in funds, and statement of cash flows for the year that ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS24.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Companies Act"), the Singapore Charities Act 1994 and other relevant regulations ("the Charities Act and Regulations"), Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in funds 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 "*Auditors' 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 *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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information which comprises the directors' statement, prior to the date of this auditors' report.

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

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

*Responsibilities of management and directors for the financial statements*

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

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

Those charged with governance comprise the directors. Their responsibilities include overseeing the Company's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 controls.

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 controls 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 Companies Act, and the Charities Act and Regulations.

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

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

(b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:
KPMG LLP
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**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
30 August 2024

**Statement of financial position**
**As at 31 March 2024**

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | $ | $ |
| **Non-current assets** | | | |
| Plant and equipment | 4 | 9,816 | 16,625 |
| Right-of-use assets | 5 | 76,387 | 119,786 |
| Intangible asset | 6 | 10,996 | 12,296 |
| | | 97,199 | 148,707 |
| **Current assets** | | | |
| Trade and other receivables | 7 | 51,691 | 116,316 |
| Cash and cash equivalents | | 556,387 | 435,851 |
| | | 608,078 | 552,167 |
| **Total assets** | | 705,277 | 700,874 |
| **Funds** | | | |
| General Fund | 8 | 412,317 | 299,024 |
| S. R. Nathan Opera Development Fund | 8 | 93,020 | 93,060 |
| **Total funds** | | 505,337 | 392,084 |
| **Non-current liabilities** | | | |
| Provision for restoration cost | 9 | 19,822 | 19,822 |
| Lease liabilities | 18 | 35,247 | 77,330 |
| | | 55,069 | 97,152 |
| **Current liabilities** | | | |
| Trade and other payables | 10 | 92,439 | 156,770 |
| Contract liabilities | 11 | 9,795 | 12,182 |
| Lease liabilities | 18 | 42,637 | 42,686 |
| | | 144,871 | 211,638 |
| **Total liabilities** | | 199,940 | 308,790 |
| **Total funds and liabilities** | | 705,277 | 700,874 |

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

**Statement of comprehensive income**
**Year ended 31 March 2024**

| | Note | General Fund | | S. R. Nathan Opera Development Fund | | Total | |
|---|---|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | | $ | $ | $ | $ | $ | $ |
| Revenue | 11 | 160,458 | 181,230 | – | – | 160,458 | 181,230 |
| Other income | 12 | 779,406 | 705,407 | – | – | 779,406 | 705,407 |
| Production costs | | (331,149) | (871,403) | – | – | (331,149) | (871,403) |
| Staff costs | | (240,929) | (242,824) | – | – | (240,929) | (242,824) |
| Depreciation expenses | 4, 5 | (50,908) | (58,425) | – | – | (50,908) | (58,425) |
| Amortisation expense | 6 | (1,300) | (704) | – | – | (1,300) | (704) |
| Other operating expenses | | (201,563) | (200,759) | (40) | – | (201,603) | (200,759) |
| Finance costs | 13 | (722) | (1,934) | – | – | (722) | (1,934) |
| **Profit/(Loss) before income tax** | 14 | 113,293 | (489,412) | (40) | – | 113,253 | (489,412) |
| Income tax expense | 15 | – | – | – | – | – | – |
| **Profit/(Loss) for the year, representing total comprehensive income for the year** | | 113,293 | (489,412) | (40) | – | 113,253 | (489,412) |

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

**Statement of changes in funds**
**Year ended 31 March 2024**

| | General Fund $ | S. R. Nathan Opera Development Fund $ | Total Funds $ |
|---|---|---|---|
| At 1 April 2022 | 788,436 | 93,060 | 881,496 |
| Loss for the year, representing total comprehensive income for the year | (489,412) | – | (489,412) |
| At 31 March 2023 | 299,024 | 93,060 | 392,084 |
| | | | |
| At 1 April 2023 | 299,024 | 93,060 | 392,084 |
| Profit for the year, representing total comprehensive income for the year | 113,293 | (40) | 113,253 |
| At 31 March 2024 | 412,317 | 93,020 | 505,337 |

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

**Statement of cash flows**
**Year ended 31 March 2024**

| | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit/(Loss) for the year | | 113,253 | (489,412) |
| Adjustments for: | | | |
| Depreciation of plant and equipment | 4 | 7,509 | 14,028 |
| Depreciation of right-of-use assets | 5 | 43,399 | 44,397 |
| Amortisation of intangible asset | 6 | 1,300 | 704 |
| Interest expenses | 13 | 722 | 1,934 |
| | | 166,183 | (428,349) |
| Changes in: | | | |
| Trade and other receivables | | 64,625 | (42,551) |
| Trade and other payables | | (64,331) | (118,105) |
| Contract liabilities | | (2,387) | 3,511 |
| **Net cash from/(used in) operating activities** | | 164,090 | (585,494) |
| | | | |
| **Cash flows from investing activities** | | | |
| Acquisition of plant and equipment | | (700) | (10,461) |
| Acquisition of intangible asset | | – | (13,000) |
| **Net cash used in investing activities** | | (700) | (23,461) |
| | | | |
| **Cash flows from financing activities** | | | |
| Payment of lease liabilities | | (42,132) | (42,780) |
| Interest paid | | (722) | (1,934) |
| **Net cash used in financing activities** | 18 | (42,854) | (44,714) |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 120,536 | (653,669) |
| Cash and cash equivalents at beginning of the year | | 435,851 | 1,089,520 |
| **Cash and cash equivalents at end of the year** | | 556,387 | 435,851 |

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

# Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 August 2024.

## 1 Domicile and activities

The Singapore Lyric Opera Limited ("the Company") is incorporated in the Republic of Singapore on 22 May 1990 as a company limited by guarantee and is registered as a charity and an approved Institution of a Public Character under the Charities Act and Regulations. The address of the Company's registered office is 90 Goodman Road, #01-07 Goodman Arts Centre, Singapore 439053.

The principal activities of the Company are those relating to the producing, managing and conducting of operatic performances, concerts and other musical and stage entertainment.

## 2 Basis of preparation

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS"). The changes to material accounting policies are described in note 2.5.

### 2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### 2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

### 2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised prospectively.

Management is of the opinion that there are no critical judgements made in applying the Company's accounting policies and no assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

## 2.5 Changes in material accounting policies

**New accounting standards and amendments**

The Company has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 April 2023:

- FRS 117: *Insurance Contracts*
- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- *Amendments to FRS 8: Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

*Material accounting policy information*

The Company adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

# 3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which explains changes in accounting policies.

In addition, the Company adopted the Amendments to FRS 1 and FRS Practice Statement 2 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 3 in certain instances.

## 3.1 Financial instruments

### (i) Recognition and initial measurement

**Non-derivative financial assets and financial liabilities**

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially recognised at the transaction price.

### (ii) Classification and subsequent measurement

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables.

**(iii) Derecognition**

**Financial assets**

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

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

## 3.2 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or 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.

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Company remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

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

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 3.3 Impairment

### (i) Non-derivative financial assets

The Company recognises loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

***Simplified approach***

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

***General approach***

The Company applies the general approach to provide for ECLs on other financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset remains outstanding beyond management's expected range of past due days taking into consideration past payment trends, macroeconomic and industry conditions.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

***Measurement of ECLs***

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

***Credit-impaired financial assets***

At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

***Presentation of allowance for ECLs in the statement of financial position***

Loss allowances for financial assets measured at amortised cost is deducted from the gross carrying amount of the assets.

***Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**(ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

## 3.4 Employee benefits

**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or construction obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

**Short-term employee benefits**

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

## 3.5 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Restoration cost**

Provision for restoration cost relates to the obligation to restore a leased premise to its original condition at the end of the lease period, in accordance with the requirements of the lease arrangement.

## 3.6 Revenue

**Ticket sales for performing arts events**

Ticket sales and performance income for performing arts events are recognised upon the completion of the performance or event.

**Performance and programmes income**

Performance and programmes income for stage performance events are recognised upon the completion of the performance or events.

**Music classes and lessons**

Course fees are recognised over the service duration of the courses.

**Sponsorship and donation income**

Sponsorship and donations are recognised as income when the following three criteria are met:

- Entitlement – normally arises when there is control over the rights or other access to the resource, enabling the Company to determine its future application;

- Certainty – when it is virtually certain that the income will be received; and

- Measurement – when the monetary value of the income can be measured with sufficient reliability.

A contract liability is recognised when the consideration received before the Company recognises the related revenue. A contract liability would also be recognised if the Company has an unconditional right to receive consideration before the Company recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

The classification of a contract asset and contract liability is determined separately for each individual contract.

## 3.7 Government grants

Government grants related to assets are initially recognised as grants received in advanced at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

## 3.8 Funds

Income and expenditure relating to the main activities of the Company are accounted for through the General Fund in profit or loss.

Income and expenditure relating to the S. R. Nathan Opera Development Fund for contributions received and expenditure incurred for specific purposes are accounted for through the S.R. Nathan Opera Development Fund in profit or loss.

## 3.9 Finance costs

The Company's finance costs include interest expense. Interest expense is recognised using the effective interest method.

## 3.10 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. The Company has not early adopted the new or amended accounting standards in preparing these financial statements. The Company is in the process of assessing the impact of the new accounting standards and amendments to standards on its financial statements.

## 4 Plant and equipment

| | Production equipment $ | Office equipment $ | Furniture and fittings $ | Renovations $ | Musical instruments $ | Total $ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 April 2022 | 99,234 | 51,761 | 21,293 | 83,884 | 27,882 | 284,054 |
| Additions | – | 10,461 | – | – | – | 10,461 |
| At 31 March 2023 | 99,234 | 62,222 | 21,293 | 83,884 | 27,882 | 294,515 |
| | | | | | | |
| At 1 April 2023 | 99,234 | 62,222 | 21,293 | 83,884 | 27,882 | 294,515 |
| Additions | – | 700 | – | – | – | 700 |
| At 31 March 2024 | 99,234 | 62,922 | 21,293 | 83,884 | 27,882 | 295,215 |
| | | | | | | |
| **Accumulated depreciation** | | | | | | |
| At 1 April 2022 | 99,234 | 41,967 | 17,867 | 77,190 | 27,604 | 263,862 |
| Depreciation for the year | – | 4,164 | 3,080 | 6,694 | 90 | 14,028 |
| At 31 March 2023 | 99,234 | 46,131 | 20,947 | 83,884 | 27,694 | 277,890 |
| | | | | | | |
| At 1 April 2023 | 99,234 | 46,131 | 20,947 | 83,884 | 27,694 | 277,890 |
| Depreciation for the year | – | 7,072 | 346 | – | 91 | 7,509 |
| At 31 March 2024 | 99,234 | 53,203 | 21,293 | 83,884 | 27,785 | 285,399 |
| | | | | | | |
| **Carrying amounts** | | | | | | |
| At 1 April 2022 | – | 9,794 | 3,426 | 6,694 | 278 | 20,192 |
| At 31 March 2023 | – | 16,091 | 346 | – | 188 | 16,625 |
| At 31 March 2024 | – | 9,719 | – | – | 97 | 9,816 |

## 5 Right-of-use assets

| | Leased property $ | Office equipment $ | Total $ |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2022, 31 March 2023 and 31 March 2024 | 273,389 | 25,429 | 298,818 |
| **Accumulated depreciation** | | | |
| At 1 April 2022 | 132,551 | 2,084 | 134,635 |
| Depreciation for the year | 39,282 | 5,115 | 44,397 |
| At 31 March 2023 | 171,833 | 7,199 | 179,032 |
| At 1 April 2023 | 171,833 | 7,199 | 179,032 |
| Depreciation for the year | 38,169 | 5,230 | 43,399 |
| At 31 March 2024 | 210,002 | 12,429 | 222,431 |
| **Carrying amounts** | | | |
| At 1 April 2022 | 140,838 | 23,345 | 164,183 |
| At 31 March 2023 | 101,556 | 18,230 | 119,786 |
| At 31 March 2024 | 63,387 | 13,000 | 76,387 |

Information about leases for which the Company is a lessee is discussed in Note 18.

## 6 Intangible asset

| | Musical compositions $ |
|---|---|
| **Cost** | |
| At 1 April 2022 | – |
| Acquisitions | 13,000 |
| At 31 March 2023 and 31 March 2024 | 13,000 |
| **Accumulated amortisation** | |
| At 1 April 2022 | – |
| Amortisation for the year | 704 |
| At 31 March 2023 | 704 |
| At 1 April 2023 | 704 |
| Amortisation for the year | 1,300 |
| At 31 March 2024 | 2,004 |
| **Carrying amounts** | |
| At 1 April 2022 | – |
| At 31 March 2023 | 12,296 |
| At 31 March 2024 | 10,996 |

## 7 Trade and other receivables

| | 2024 $ | 2023 $ |
|---|---|---|
| Trade receivables | 3,705 | 500 |
| Refundable deposits | 13,135 | 13,455 |
| Other receivables | 1,445 | 18,845 |
| | 18,285 | 32,800 |
| Prepayments | 33,406 | 83,516 |
| | 51,691 | 116,316 |

The Company's exposure to credit risk and impairment loss for trade and other receivables is disclosed in Note 16.

## 8 Funds

The Company has the following funds: General Fund and S. R. Nathan Opera Development Fund.

**General Fund**

The General Fund was set up for the purpose of receiving contributions and expenditure incurred for the main activities of the Company.

**S. R. Nathan Opera Development Fund**

The S. R. Nathan Opera Development Fund was set up for the purpose of training young opera and musical talents to become professionals.

## 9 Provision for restoration cost

| | 2024 $ | 2023 $ |
|---|---|---|
| At beginning of the year/end of the year | 19,822 | 19,822 |

## 10 Trade and other payables

| | 2024 $ | 2023 $ |
|---|---|---|
| Trade payables | 21,858 | 44,940 |
| Accrued operating expenses | 45,783 | 33,946 |
| Other payables | 20 | 20 |
| | 67,661 | 78,906 |
| Grants received in advance | 17,611 | 75,696 |
| Sponsorship and donation received in advance | 7,167 | 2,168 |
| | 92,439 | 156,770 |

The Company's exposure to liquidity risk for trade and other payables is disclosed in Note 16.

## 11 Revenue

| | 2024 $ | 2023 $ |
|---|---|---|
| Ticket sales for performing arts events | 53,992 | 119,265 |
| Performances and programmes income | 42,800 | 17,315 |
| Music classes and lessons | 63,666 | 44,650 |
| | 160,458 | 181,230 |

Revenue earned by the Company is solely derived in Singapore.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Ticket sales for performing arts events and performances and programmes income

| | |
|---|---|
| **Nature of goods or services** | The Company produces, manages and conducts operatic performances, concerts and other musical and stage entertainment. |
| **When revenue is recognised** | Revenue is recognised at a point in time when the performances and concerts have been completed. |
| **Significant payment terms** | Invoices are issued upon completion of performances and are payable on demand. |

Music classes and lessons

| | |
|---|---|
| **Nature of goods or services** | The Company provides music classes and lessons for children and youth. |
| **When revenue is recognised** | Revenue is recognised over time when classes have been completed. |
| **Significant payment terms** | Invoices are issued every quarter in advance. |

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

| | Note | 2024 $ | 2023 $ |
|---|---|---|---|
| Trade receivables | 7 | 3,705 | 500 |
| Contract liabilities | | (9,795) | (12,182) |

The contract liabilities relates to deposits collected from customers for music classes and lessons.

## 12 Other income

| | 2024 $ | 2023 $ |
|---|---|---|
| Sponsorships and donations | 22,420 | 177,292 |
| Sponsorships and donations from fund-raising event | 133,288 | 179,888 |
| Operating grants from Cultural Matching Fund | 376,814 | 251,366 |
| Operating grants from a government body | 211,288 | 50,000 |
| Arts housing subsidy from a government body | 19,325 | 21,456 |
| Subsidy for venue hire and in-house production costs | – | 6,574 |
| Miscellaneous income | 16,271 | 18,831 |
| | 779,406 | 705,407 |

Tax deductible receipts during the year amounted to $139,738 (2023: $280,088).

## 13 Finance costs

| | 2024 $ | 2023 $ |
|---|---|---|
| Interest expenses | 722 | 1,934 |

## 14 Profit/(Loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

| | 2024 $ | 2023 $ |
|---|---|---|
| Staff costs | 240,929 | 242,824 |
| Contribution to defined contribution plans, included in staff costs | 35,373 | 35,296 |
| Professional fees | 42,180 | 40,931 |

## 15 Income tax expense

There is no tax charge for the current year as the Company is a registered charity with income tax exemption.

# 16 Financial instruments

**Financial risk management**

**Overview**

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

**Risk management framework**

Risk management is integral to the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the Company's activities.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from students who are enrolled in the music classes and lessons conducted by the Company.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company does not hold any collateral in respect of its financial assets. Cash and cash equivalents are placed with a bank which is regulated.

*Expected credit loss assessment*

The Company measures the loss allowances of trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. In the provision matrix, the Company uses the actual historical credit loss experience over the past three years. Management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date as the credit profile of its trade receivables has not changed.

The following table provides information about the exposure to credit risk and ECLs for trade receivables for individual customers as at 31 March:

| | Gross carrying amount $ | Impairment loss allowance $ | Credit impaired |
|---|---|---|---|
| **2024** | | | |
| 1 – 30 days past due | 3,205 | – | No |
| 31 – 90 days past due | – | – | No |
| More than 90 days past due | 500 | – | No |
| | 3,705 | – | |
| **2023** | | | |
| 1 – 30 days past due | – | – | No |
| 31 – 90 days past due | – | – | No |
| More than 90 days past due | 500 | – | No |
| | 500 | – | |

*Cash and cash equivalents*

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company consider that its cash and cash equivalents have low credit risk based on the external credit rating of the bank. The amount of ECL allowance on cash and cash equivalents is negligible.

*Other receivables*

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company consider other receivables have low credit risk. The amount of the allowance on other receivables is negligible.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The directors are of the opinion that adequate funds will be provided by sponsors, donors and well-wishers of the Company to enable it to meet its operating requirements, on an ongoing basis.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

| | | Cash flows | | |
|---|---|---|---|---|
| | Carrying amount $ | Contractual cash flows $ | Within 1 year $ | Between 2 to 5 years $ |
| **31 March 2024** | | | | |
| **Financial liabilities** | | | | |
| Trade and other payables* | 67,661 | (67,661) | (67,661) | – |
| Lease liabilities | 77,884 | (80,453) | (44,585) | (35,868) |
| | 145,545 | (148,114) | (112,246) | (35,868) |

* *Excludes sponsorship and donation received in advance and grants received in advance*

| | Carrying amount $ | Cash flows: Contractual cash flows $ | Within 1 year $ | Between 2 to 5 years $ |
|---|---|---|---|---|
| **31 March 2023** | | | | |
| **Financial liabilities** | | | | |
| Trade and other payables* | 78,906 | (78,906) | (78,906) | – |
| Lease liabilities | 120,016 | (121,027) | (42,800) | (78,227) |
| | 198,922 | (199,933) | (121,706) | (78,227) |

* *Excludes sponsorship and donation received in advance and grants received in advance*

**Accounting classification and fair values**

The carrying amounts of financial assets and financial liabilities are as follows. It does not include their fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

| | Note | Financial assets at amortised cost $ | Other financial liabilities $ | Total carrying amount $ |
|---|---|---|---|---|
| **31 March 2024** | | | | |
| **Financial assets not measured at fair value** | | | | |
| Trade and other receivables* | 7 | 18,285 | – | 18,285 |
| Cash and cash equivalents | | 556,387 | – | 556,387 |
| | | 574,672 | – | 574,672 |
| **Financial liabilities not measured at fair value** | | | | |
| Trade and other payables** | 10 | – | 67,661 | 67,661 |
| **31 March 2023** | | | | |
| **Financial assets not measured at fair value** | | | | |
| Trade and other receivables* | 7 | 32,800 | – | 32,800 |
| Cash and cash equivalents | | 435,851 | – | 435,851 |
| | | 468,651 | – | 468,651 |
| **Financial liabilities not measured at fair value** | | | | |
| Trade and other payables** | 10 | – | 78,906 | 78,906 |

* *Excludes prepayments*
** *Excludes sponsorship and donation received in advance and grants received in advance*

## 17 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

***Transactions with key management personnel***

*Key management personnel compensation*

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

None of the directors earned any directors' fee or other remuneration in respect of their appointment as directors of the Company during the current year.

**Other related party transactions**

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Donations received from directors | 32,800 | 44,650 |

## 18 Leases

**Leases as lessee**

The Company leases an office premise and an office equipment. The lease for the office premise and the office equipment run for a period of 3 years and 5 years respectively, with an option to renew the lease after that date. The Company is restricted from entering into any sub-lease arrangements for both leases.

Information about leases for which the Company is a lessee is presented below.

Terms and conditions of lease liabilities are as follows:

| | | | 2024 | | 2023 | |
|---|---|---|---|---|---|---|
| | Nominal interest rate<br>% | Year of maturity | Face value<br>$ | Carrying amount<br>$ | Face value<br>$ | Carrying amount<br>$ |
| Lease liabilities | 0.81% | 2022 – 2026 | 80,453 | 77,884 | 121,027 | 120,016 |

**Amounts recognised in profit or loss**

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Interest on lease liabilities | 722 | 1,934 |
| Depreciation charge on right of use assets | 43,399 | 44,397 |

**Amounts recognised in statement of cash flows**

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Total cash outflow for leases | 42,854 | 44,714 |

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

| | Lease liabilities | |
|---|---|---|
| | **2024**<br>**$** | **2023**<br>**$** |
| **Balance at 1 April** | 120,016 | 162,796 |
| **Changes from financing cash flows** | | |
| - Payment of lease liabilities | (42,132) | (42,780) |
| - Interest paid | (722) | (1,934) |
| Total changes from financing cash flows | (42,854) | (44,714) |
| Interest expense | 722 | 1,934 |
| **Balance at 31 March** | 77,884 | 120,016 |

**Extension options**

The property lease contain extension options exercisable by the Company up to one month before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are subjected to evaluation by the lessors, to be applied by the Company before the end of the non-cancellable contract period. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $101,973.

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