Financial statements

Playeum Ltd

(A public company limited by guarantee and not having a share capital)

for the financial year ended 31 March 2017

Company information

Company registration number	UEN 201333807K
Registered office	47 Malan Rd Gillman Barracks Singapore 109444
Directors	Christine Puey-Kheng Chen Loh Nee Sian Petrina Kow Wei Shih Sumitra Pasupathy Susan Carol Adams Jaelle Ang Ker Tjia
Principal banker	DBS Bank Ltd
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Ang Soh Mui (Since FY 30 November 2014)

Contents

Directors' statement
for the financial year ended 31 March 2017

The directors submit this statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2017.

In our opinion:

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017, and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50, the Charities Act, Cap 37 and Singapore Financial Reporting Standards;

(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; and

(c) nothing came to our attention to cause us to believe that the Company did not comply with the Regulation 15 of the Charities (Institution of a Public Character) Regulations and the donation monies have not been used in accordance with the objectives of the Company as an Institution of a Public Character.

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

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

Christine Puey-Kheng Chen
Loh Nee Sian
Petrina Kow Wei Shih
Sumitra Pasupathy
Susan Carol Adams
Jaelle Ang Ker Tjia

Directors' interests
The Company has no share capital and its liability is limited by guarantee.

Neither at the end of, nor at any time during the financial year ended 31 March 2017, was the Company a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or of any other corporate body.

Share options

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

Independent auditor

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On Behalf of the Directors

....
LOH NEE SIAN

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SUSAN CAROL ADAMS

Dated: 27 June 2017

Independent auditor's report to the members of Playeum Ltd

Report on the financial statements

Opinion

We have audited the financial statements of Playeum Ltd (the "Company") which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act), Charities Act, Chapter 37 and Singapore Financial Reporting Standards (FRS) so as to give a true and fair view of financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises all information included in 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 members of Playeum Ltd (Cont'd)

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, Charities Act and FRS, 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 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 members of Playeum Ltd (Cont'd)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

During the course of our audit, nothing came to our attention to cause us to believe that:

(a) the use of donation moneys was not in accordance with the objectives of the Company as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

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

FOOKONTAN LLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 27 June 2017

Statement of financial position
as at 31 March 2017

	Note	31 March 2017 $	31 March 2016 $
ASSETS			
Non-current assets			
Plant and equipment	3	**97,848**	131,342
		97,848	131,342
Current assets			
Trade and other receivables	4	**43,747**	28,875
Cash and cash equivalents	5	**319,720**	681,376
		363,467	710,251
Total assets		**461,315**	841,593
Funds			
Share capital	6	**-**	-
General operating fund	7	**324,121**	718,106
Total funds		**324,121**	718,106
LIABILITIES			
Non-current liabilities			
Provision for restoration costs	8	**29,170**	26,936
		29,170	26,936
Current liabilities			
Trade and other payables	9	**108,024**	96,551
		108,024	96,551
Total liabilities		**137,194**	123,487
Total funds and liabilities		**461,315**	841,593

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

Statement of comprehensive income
for the financial year ended 31 March 2017

	Note	General Operating Fund Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
INCOME			
Programme income		**34,655**	146,551
Ticketing income		**397,605**	267,246
General donations	10	**67,078**	345,386
Grant income	11	**127,242**	375,436
Fund-raising project	12	**-**	306,793
Other income		**8,547**	3,847
		635,127	1,445,259
EXPENDITURE			
Professional fee		**74,995**	158,456
Advertisement expenses		**57,386**	16,410
Bank charges		**1,962**	1,542
Depreciation of plant and equipment	3	**46,180**	26,197
Event management expenses		**103,504**	60,963
Fund-raising expenses		**-**	41,569
Insurance		**1,362**	4,557
License fee		**-**	590
Production and material costs		**50,679**	48,297
Miscellaneous expense		**15,742**	19,874
Office supplies expenses		**43,874**	19,188
Operating lease expenses		**90,812**	72,894
Repairs and maintenance expenses		**12,950**	19,980
Staff costs	13	**401,168**	257,761
Subcontracting expenses		**95,934**	78,295
Training costs		**18,447**	13,783
Transaction fees		**2,162**	3,258
Travelling expenses		**9,721**	15,931
Unwinding interest on provision for restoration costs	8	**2,234**	932
		1,029,112	860,477
(Loss)/Surplus before income tax		**(393,985)**	584,782
Income tax expense	14	**-**	-
(Loss)/Surplus for the year/period, representing total comprehensive surplus for the year/period		**(393,985)**	584,782

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

Statement of changes in equity
for the financial year ended 31 March 2017

	General Operating Fund $
At 30 November 2014	133,324
Total comprehensive surplus for the period	
Surplus for the period	584,782
Other comprehensive income, at nil tax	-
Total comprehensive surplus for the period	584,782
At 31 March 2016	**718,106**
Total comprehensive loss for the year	
Loss for the year	**(393,985)**
Other comprehensive income, at nil tax	-
Total comprehensive loss for the year	**(393,985)**
At 31 March 2017	**324,121**

Statement of cash flows
for the financial year ended 31 March 2017

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Cash Flows (for)/from Operating Activities		
(Loss)/Surplus for the year/period	**(393,985)**	584,782
Adjustments for:		
Depreciation (Note 3)	**46,180**	26,197
Unwinding interest on provision for restoration costs	**2,234**	932
Operating (loss)/surplus before working capital changes	**(345,571)**	611,911
Changes in working capital:		
Changes in other receivables	**(14,872)**	42,306
Changes in other payables	**11,473**	61,865
Net cash (used in)/ generated from operating activities	**(348,970)**	716,082
Cash Flows for Investing Activities		
Acquisition of plant and equipment	**(12,686)**	(131,535)
Net cash used in investing activities	**(12,686)**	(131,535)
Net (decrease)/increase in cash and cash equivalents	**(361,656)**	584,547
Cash and cash equivalents at beginning of year/period	**681,376**	96,829
Cash and cash equivalents at end of year/period (Note 5)	**319,720**	681,376

Notes to the financial statements
for the financial year ended 31 March 2017

1 General information

The financial statements of Playeum Ltd (the "Company") for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Directors on the date of the Directors' Statement.

Playeum Ltd, a public company limited by guarantee and not having a share capital, was incorporated on 17 December 2013 in the Republic of Singapore.

The registered office of the Company and principal place of business are both located at 47 Malan Road, Gillman Barracks, Singapore 109444.

The Company is an approved charity organisation under the Charities Act, Cap. 37. It is also an approved Institution of Public Character ("IPC") under the Income Tax Act, Chapter 134 until 30 November 2017.

The principal activity of the Company is to promote dramatic arts, music and other art activities.

2(a) Basis of preparation

The financial statements have been prepared in accordance with applicable Singapore Financial Reporting Standards ("FRS"), including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

The accounting policies set out below have been applied consistently for all periods presented in these financial statements.

Significant accounting estimates, assumptions and judgements
The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates, assumptions and judgements (Cont'd)

<u>Significant judgements in applying accounting policies</u>

<u>Grant income (Note 11)</u>
The management uses judgement to determine the accretion of grant income at each reporting date. The estimates of accretion of grant income are made based on approval by the National Arts Council, Ministry of Culture, Community and Youth, National Council of Social Service, and National Youth Council.

<u>Critical accounting estimates and assumptions used in applying accounting policies</u>

<u>Depreciation of plant and equipment (Note 3)</u>
Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of plant and equipment at the reporting date was $97,848 (2016 - $131,342).

If depreciation on plant and equipment increases/decreases by 10% from management's estimates, the Company's surplus for the year will decrease/increase by approximately $4,618 (2016 - $2,620).

<u>Impairment of non-financial assets (Note 3)</u>
Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors. The carrying amount of plant and equipment at the reporting date was $97,848 (2016 - $131,342).

If the carrying value on plant and equipment increases/decreases by 10% from management's estimates, the Company's surplus for the year will increase/decrease by approximately $9,785 (2016 - $13,134).

<u>Impairment of loans and receivables (Note 4)</u>
Allowances for bad and doubtful debts are based on an assessment of the recoverability of other receivables. Allowances are applied other receivables where events or changes in circumstances indicate that the balances may not be collectible.

In determining whether a receivable is impaired, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The carrying amount of loans and receivables at the reporting date was $40,737 (2016 - $27,863).

If the present value of estimated future cash flows decrease by 10% from management's estimates, the Company's allowance for impairment will increase by $4,074 (2016 - $2,786).

2(b) Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Company adopted FRSs and INT FRS that are relevant for application from that date.

Reference	Description
FRS 1	Amendments to FRS 1: Disclosure Initiative

FRS 1 Presentation of Financial Statements
The amendments to FRS 1 Presentation of Financial Statements clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. FRS 1 is effective for annual periods beginning on or after 1 January 2016. As this is a disclosure standard, it does not have any impact on the financial position or performance of the Company when implemented in the current year.

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued in 2017 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 7	Statement of Cash Flows	1 January 2017
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

Amendments to FRS 7 Statement of Cash Flows
The Amendments to FRS 7 Statement of Cash Flows requires the entity to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed funds – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position or performance of the Company when implemented.

FRS 115 Revenue from Contracts with Customers
FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer. FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Company is currently assessing the impact to the financial statements.

2(c) FRS and INT FRS not yet effective (Cont'd)

Clarifications to FRS 115 Revenue Contracts with Customers
The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

FRS 116 Leases
FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115. The Association is currently assessing the impact to the financial statements.

The Management has yet to assess if the adoption of such standards and interpretations in future periods will have a material impact on the financial statements of the Company.

2(d) Summary of significant accounting policies

Plant and equipment and depreciation

All items of plant and equipment are initially recorded at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property and equipment. 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.

When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculating using the straight-line method to allocate the depreciable amount over their estimated useful lives as follows:

2(d) Summary of significant accounting policies (Cont'd)

Plant and equipment and depreciation (Cont'd)

Computer equipment	1 years
Office and other equipment	3 years
Furniture and fittings	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

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 arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

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 recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the statement of income and expenditure when received, regardless of how the related carrying amount of financial assets is measured.

The Company does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the statement of comprehensive income.

Loans and receivables comprise other receivables, excluding prepayments.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and bank deposits with financial institutions which are subject to insignificant risk of changes in value

Financial liabilities
Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the statement of comprehensive income. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

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 recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Other payables are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

The Company's financial liabilities include other payables, excluding deferred income and grants received in advance.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

2(d) Summary of significant accounting policies (Cont'd)

Provisions (Cont'd)
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. Where discounting is used, the increase in the provision due to the passage of the time is recognised as finance costs.

Provision for restoration cost
A provision is recognised for the costs expected to be incurred to dismantle, remove and restore the asset upon expiry of the lease agreement. The estimated costs form part of the cost of the plant and equipment and are depreciated over the useful life of the asset.

General Operating Fund
Income and expenditure relating to the main activities of the Company are accounted for through the General Operating Fund in the statement of comprehensive income.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Directors and the Executive Director are considered key management personnel.

Employee benefits
Pension obligations
The Company contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to defined contribution plans are charged to the statement of income and expenditure in the period to which the contributions relate.

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.

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

- (i) the entity and the Company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity; or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

2(d) Summary of significant accounting policies (Cont'd)

Income recognition

Ticketing income

Ticketing income from the Children's Centre for Creativity are recognised on the day of purchase. Annual passes are recognised over 12 months on a straight-line basis from the day of purchase.

Programme income

Income generated from social activities, events and programmes are recognised when the related event is held.

Donations

Donations are recognised in the statement of comprehensive income as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donations. Donations received in advance for future are deferred till the Company is entitled for the donation.

Government grants

Grants from the government to meet the Company's operating expenses are recognised as income to match the related operating expenditure. Grants from the government are recognised as receivable when there is reasonable assurance that the grant will be received and the Company will comply with all the attaching conditions. Operating grants are accounted for on an accrual basis.

Functional currencies

Functional and presentation currency

The financial statements of the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

Leases

Where the Company is the Lessee - Operating leases

Rentals on operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the statement of comprehensive income when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the statement of comprehensive income when incurred.

3 Plant and equipment

	Computer equipment $	Office equipment $	Furniture and fittings $	Total $
Cost				
At 17 December 2013 (the date of incorporation) and 30 November 2014	-	-	-	-
Additions	20,252	2,852	108,431	131,535
Provision for restoration costs	-	-	26,004	26,004
At 31 March 2016	**20,252**	**2,852**	**134,435**	**157,539**
Additions	**4,984**	-	**7,702**	**12,686**
At 31 March 2017	**25,236**	**2,852**	**142,137**	**170,225**

3 Plant and equipment (Cont'd)

	Computer equipment $	Office equipment $	Furniture and fittings $	Total $
Accumulated depreciation				
At 17 December 2013 (the date of incorporation) and 30 November 2014	-	-	-	-
Depreciation	7,865	700	17,632	26,197
At 31 March 2016	7,865	700	17,632	26,197
Depreciation	13,633	951	31,596	46,180
At 31 March 2017	21,498	1,651	49,228	72,377
Carrying amount				
At 31 March 2017	**3,738**	**1,201**	**92,909**	**97,848**
At 31 March 2016	12,387	2,152	116,803	131,342

Included in "furniture and fittings" was a provision made for site restoration costs amounting to $26,004 (2016 - $26,004), in respect of the Company's premises located at 47 Malan Road.

4 Trade and other receivables

	31 March 2017 $	31 March 2016 $
Trade receivables	26,456	10,401
Deposits	14,281	17,462
Loans and other receivables	40,737	27,863
Prepayment	3,010	1,012
	43,747	28,875

A related party is an entity owned by the Company's directors.

The Company's receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition. The average credit term extended to the majority of the customers is 30 days.

Trade receivables mainly include programme income.

There is no impairment loss arising from the above trade receivables at the reporting date in view of the good credit history.

The ageing of loans and other receivables at the reporting date is:

	31 March 2017 $	31 March 2016 $
Past due not more than 3 months	1,256	-

5 Cash and cash equivalents

	31 March 2017 $	31 March 2016 $
Cash on hand	3,361	420
Cash at bank	316,359	680,956
	319,720	681,376

6 Capital

The Company is a public company limited by guarantee and does not have any issued share capital. As at 31 March 2017, the Company has 3 members and the liability of the members are limited. In the event of the Company being wound up while a member is in office, or within one year after he ceases to be a member, each member shall be liable for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, not exceeding a sum of $1.

7 General operating fund

	31 March 2017 $	31 March 2016 $
Unrestricted fund ("Reserves")	**324,121**	718,106

8 Provision for restoration cost

Restoration costs relate to the cost of dismantling and removing assets and restoring the premises to its original condition stipulated in the operating lease agreements. The Company expects to incur the liability upon termination of the lease.

A provision is recognised for the present value of costs to be incurred for the restoration of the operating lease for the Company's premises at 47 Malan Road Singapore 109444, expiring on 15 July 2018.

The provision has been computed using a discount rate of 2.23% (2016: 4.95%), which is the risk-free rate of the liability applicable to the Company. The revision in discount rate was due to falling inflation expectation, which was incorporated into the risk-free rate.

The movement of provision for restoration cost is as follows:

	$
At 17 December 2013 (the date of incorporation) and 30 November 2014	-
Additions	26,004
Unwinding interest on provision for restoration cost	932
At 31 March 2016	**26,936**
Additions	-
Unwinding interest on provision for restoration cost	**2,234**
At 31 March 2017	**29,170**

9 Trade and other payables

	31 March 2017 $	31 March 2016 $
Trade payable	**6,817**	4,086
Other payable	**28,026**	20,000
Accrued expenses	**21,200**	42,005
Financial liabilities at amortised costs	**56,043**	66,091
Deferred income	**9,781**	13,060
Advanced deposits	**200**	-
Grants received in advance	**42,000**	17,400
	108,024	96,551

Deferred income relates to the unamortised portion of the annual passes for the Children's Centre for Creativity.

9 Other payables (Cont'd)

The movements of the grants received in advance relate to the Presentation & Participation Grant ("P&P), which is a project based grant that the Company will apply for towards projects such as Big Draw and more recently for the exhibition - Art of Speed & Hideaways.

The movements of grants received in advance is as follows:

	31 March 2017 $	31 March 2016 $
P&P		
Balance at beginning of the year/period	17,400	5,500
Grants received during the year/period	66,599	22,900
Utilised during the year/period (Note 11)	(41,999)	(11,000)
Balance at end of the year/period	42,000	17,400

Other payables are unsecured and repayable within 30 to 60 days (2016 - 30 to 60 days).

10 General donations

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Donation income (Tax-deductible)	62,942	345,386
Donation income (Tax non-deductible)	4,136	-
	67,078	345,386

11 Grant income

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Cultural Matching Fund	85,243	281,978
Presentation and Participation Grant	41,999	11,000
Care and Share Matching Grant	-	73,458
National Youth Fund	-	9,000
	127,242	375,436

12 Fund raising projects

The Company did not hold any fund-raising activities for the financial year ended 31 March 2017.

Income from the fund raising project relates to tax-deductible donations raised from the Gala Dinner event held on 8 May 2015.

13 Staff costs

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Director and key management personnel		
- wages and salaries	236,264	128,000
- defined contribution plan	7,526	-
	243,790	128,000
Other than directors and key management personnel		
- wages and salaries	135,104	111,924
- defined contribution plan	22,274	17,837
	157,378	129,761
	401,168	257,761

The board of directors did not receive any form of remuneration in the previous and current financial periods.

14 Taxation

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
(Loss)/Surplus before income tax	(393,985)	584,782
Tax at statutory rate of 17%	66,977	99,413
Tax exemption under Charities Act	(66,977)	(99,413)
	-	-

The Company is an approved charity under the Charities Act, Cap. 37 and an Institution of Public Character under the Income Tax Act, Chapter 134. No provision for tax has been made in the financial statements as the Company is exempt from income tax.

15 Operating lease commitments

The Company as lessee

As at 31 March 2017, the Company has commitment for future minimum lease payment under non-cancellable operating leases for its office premises and office equipment are as follows:

	31 March 2017 $	31 March 2016 $
Not later than one year	80,586	86,564
Later than 1 year but not later than 5 years	19,617	114,134
	100,203	200,698

The lease on the Company's premises and office equipment on which rental are payable will expire on 15 July 2018 and 12 April 2017, and the current monthly rent payable on the leases are $10,000 and $160 respectively.

16 Significant related party transactions

In the normal course of business, the Company provided services to a related party. Significant transactions with a related party, other than those disclosed elsewhere in the financial statements are as follows:

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Consultancy fee charged by a director	-	30,000

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 risks include credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects of unpredictability of financial markets on the Company's financial performance.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all the employees understand their roles and obligations.

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The Company's exposure to credit risk arises primarily from other receivables. For other receivables, the Company adopts the practice of dealing only with those customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

The Company's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Company evaluates whether there is any objective evidence that other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

Amount not paid after the credit period granted will be considered past due.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

At the reporting date, no allowance for impairment in respect of other receivables based on the creditworthiness of the counterparties.

Bank balances are placed with a bank of good credit ratings.

17 Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position as disclosed in Note 4 to the financial statements.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	31 March 2017	31 March 2016
	$	$
Loans and receivable at amortised cost		
Other receivables (Note 4) *	40,737	27,863
Cash and cash equivalents (Note 5)	319,720	681,376
	360,457	709,239
Financial liabilities at amortised cost		
Other payables, (Note 9) **	56,043	66,091

*Other receivables excludes prepayments

** Other payables excludes deferred income, advanced deposits and grant received in advance

Liquidity risk

Liquidity or funding risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company maintains sufficient level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

Exposure to liquidity risk

The following are expected contractual undiscounted cash outflows of financial liabilities:

	Carrying amount	Contractual cash flows	Within 1 year
	$	$	$
At 31 March 2017			
Financial liabilities:			
Other payables (Note 9)	56,043	56,043	56,043
At 31 March 2016			
Financial liabilities:			
Other payables (Note 9)	66,091	66,091	66,091

Fair values

The carrying amount of financial assets and liabilities with a maturity of less than one year is assumed to approximate their fair values. However, the Company does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

The face value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, comprising other receivables, cash and cash equivalents, and other payables are assumed to

17 Financial risk management objectives and policies (Cont'd)

Fair values (cont'd)
approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

18 Funds management policy

The objectives of the directors when managing funds are:

(a) to safeguard the Company's ability to continue as going concerns; and

(b) to provide capital for the purpose of promoting the social and cultural advancement of the community in Singapore.

The directors actively and regularly review and manage its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The directors monitor funds using the annual-operating-expenditure-to-total-funds ratio.

	Year ended 31 March 2017 $	Period from 1 December 2014 to 31 March 2016 $
Annual operating expenditure (A)	**1,029,112**	860,477
Total funds (B)	**324,121**	718,106
Annual-operating-expenditure-to-total-funds ratio (times) (A)/(B)	**3.18**	1.20

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

19 Comparative figures

The financial statements for the current financial year covers the 12-month period ended 31 March 2017. The financial statements for the previous period covers a period of 16 months from 1 December 2014 to 31 March 2016 due to a change in financial year end. Accordingly, the comparative figures stated in the statement of comprehensive income, statement of changes in equity, statement of cash flow and the related notes are not comparable.