Company Registration No. 201504648M

Nam Hwa Opera Limited

Annual Financial Statements
31 March 2017

EY
Building a better working world

Nam Hwa Opera Limited

Index

The directors are pleased to present their statement to the members together with the audited financial statements of Nam Hwa Opera Limited (the "Company") for the financial year ended 31 March 2017.

Opinion of directors,

In the opinion of the directors,

(i) the accompanying balance sheet, statement of comprehensive income, statement of changes in accumulated unrestricted fund and cash flow statement, together with notes thereto, 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 of the financial performance, changes in accumulated unrestricted fund and cash flows of the Company for the financial year ended on that date, and

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

Directors

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

Teo Kiang Ang	
Toh Lim Mok	
George Quek Meng Tong	
Chia Chor Meng	
Ang Chin Koon	
Lim Chin Boon	
Teo Beng Teck	
Goh Bak Heng	
Lee Geck Hoon, Ellen	
Lie Kee Pong	
Su Zhangkai	
Chin Yoon Fah	
Heng Boey Hong	
Tan Lye Soon	
Quek Soo Chek	
Teo Ngiang Heng	
Seng Han Thong	(Resigned on 27 June 2017)
Teo Chor Huan	(Resigned on 27 June 2017)
Tay Teow Kiat	(Resigned on 27 June 2017)

As the Company is limited by guarantee, the board of directors does not consider it necessary to report on the matters to be disclosed under Section 201(6) (f) and (g) of the Singapore Companies Act, Chapter 50.

Directors' conflict of interest policy

The Company has a conflict of interest policy. The Company requires that members of the board to comply with the policy and fully disclose to the board immediately when a conflict of interest situation arises.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Toh Lim Mok
Director

Lim Chin Boon
Director

Singapore
23 August 2017

Independent auditor's report to the members of Nam Hwa Opera Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Nam Hwa Opera Limited (the "Company"), which comprise the balance sheet as at 31 March 2017, the statement of comprehensive income, statement of changes in accumulated unrestricted fund and cash flow statement of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for opinion

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

Other information

Management is responsible for other information. The other information comprises Directors' statement set out on pages 1 to 2.

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 Nam Hwa Opera Limited

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- 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.

Independent auditor's report to the members of Nam Hwa Opera Limited

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

Report on other legal and regulatory requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the use of the donation monies was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations.

The Company did not hold any public fund raising appeals during the year.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

23 August 2017

Nam Hwa Opera Limited

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

	Note	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Income			
Donation income	4	730,903	678,769
Other income	4	135,570	86,177
Total income		866,473	764,946
Depreciation expense	5	10,244	4,334
Employee benefits expense		159,033	121,177
Other operating expenses	6	787,960	358,903
Total expenditure		957,237	484,414
Operating (deficit)/surplus before grant income		(90,764)	280,532
Grant income		752,734	112,800
Surplus for the financial year/period, representing total comprehensive income for the financial year/ period		661,970	393,332

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance sheet
As at 31 March 2017

	Note	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Non-current assets			
Plant and equipment	5	31,571	18,005
Current assets			
Other receivables	7	5,960	9,899
Prepayment		36,424	37,747
Restricted cash balances	8	519,380	660,065
Cash and cash equivalents	8	993,350	347,743
Total current assets		1,555,114	1,055,454
Total assets		1,586,685	1,073,459
Current liabilities			
Other payables	9	12,003	14,662
Grants received in advance	10	519,380	665,465
Total current liabilities		531,383	680,127
Net current assets		1,023,731	375,327
Net assets		1,055,302	393,332
Equity			
Accumulated unrestricted fund		1,055,302	393,332
Total equity		1,055,302	393,332
Total equity and liabilities		1,586,685	1,073,459

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in accumulated unrestricted fund
For the financial year ended 31 March 2017

	Accumulated unrestricted fund S$	Total equity S$
At 1 April 2016	393,332	393,332
Surplus for the financial year, representing total comprehensive income for the financial year	661,970	661,970
At 31 March 2017	1,055,302	1,055,302
At 17 February 2015 (date of incorporation)	–	–
Surplus for the financial period, representing total comprehensive income for the financial period	393,332	393,332
At 31 March 2016	393,332	393,332

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash flow statement
For the financial year ended 31 March 2017

	Note	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Cash flows from operating activities			
(Deficit)/surplus before grants from Government		(90,764)	280,532
Adjustments for:			
Depreciation of property and equipment	5	10,244	4,334
Operating (deficit)/ surplus before changes in working capital		(80,520)	284,866
Decrease/(increase) in other receivables and prepayments		5,262	(47,646)
(Decrease)/increase in other payables		(2,659)	14,662
Net cash (used in)/generated from operating activities		(77,917)	251,882
Cash flows from investing activity			
Purchase of property and equipment	5	(23,810)	(22,339)
Net cash flows used in investing activity		(23,810)	(22,339)
Cash flows from financing activities			
Government grants received	10	606,649	778,265
Decrease/(increase) in restricted cash		140,685	(660,065)
Net cash flows generated from financing activities		747,334	118,200
Net increase in cash and cash equivalents		645,607	347,743
Cash and cash equivalents at beginning of the financial year/date of incorporation		347,743	–
Cash and cash equivalents at end of the financial year/period (Note 8)		993,350	347,743

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

Nam Hwa Opera Limited (the "Company") is a private company limited by guarantee incorporated on 17 February 2015 and domiciled in Singapore.

The registered office and principal place of operation of the Company is located at 28 Aliwal Street, #02-09 Aliwal Arts Center, Singapore 199918.

The principal activities of the Company are to preserve, promote, rejuvenate, develop and advance the art and culture of Teochew opera and music for enjoyment and appreciation as an important message.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

The financial statements have been prepared on the historical cost basis except as disclosed as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "S$").

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial period except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 7: *Disclosure Initiative*	1 January 2017
Amendments to FRS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 115: *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
FRS 116 *Leases*	1 January 2019
Amendments to FRS 102 *Classification and Measurement of Share-Based Payment Transactions*	1 January 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 104 *Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts*	1 January 2018
Improvements to FRSs (December 2016)	
(a) Amendments To FRS 101 *First-Time Adoption Of Financial Reporting Standards*	1 January 2018
(b) Amendments To FRS 112 *Disclosure Of Interests In Other Entities*	1 January 2017
(c) Amendments To FRS 28 *Investments In Associates And Joint Ventures*	1 January 2018
Amendments to FRS 110 & FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for FRS 115, FRS 109 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a 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 which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective (cont'd)*

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

2.4 *Property, plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost 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 plant and equipment. The cost of an item of plant and equipment is recognized 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. Summary of significant accounting policies (cont'd)

2.4 *Property, plant and equipment (cont'd)*

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

Performance assets	-	5 years
Office equipment	-	5 years
Computers	-	1 year
Furniture & fittings	-	5 years

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

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

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

2.5 *Impairment of non-financial assets*

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

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

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.6 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

2. Summary of significant accounting policies (cont'd)

2.6 *Financial instruments (cont'd)*

(b) **Financial liabilities (cont'd)**

Derecognition

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

2.7 *Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, which are subject to an insignificant risk of changes in value.

2.9 *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 the amount of the obligation can be estimated reliably.

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

2.10 *Grant income*

Grant income is recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Deferred capital grants are recognised in profit or loss over the period necessary to match the depreciation of the assets with the related grants. On disposal of plant and equipment, the balance of related grants is recognised in profit or loss to match the carrying amounts of the plant and equipment disposed.

Operating grants are recognised as income over the periods necessary to match them with the cost for which they are intended to compensate, on a systematic basis. Government grants that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related cost are recognised in income or expenditure in the period in which they become receivable.

Both operating and capital grants are accounted for on an accrual basis.

2. Summary of significant accounting policies (cont'd)

2.11 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment.

The Company assesses its revenue arrangement to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised.

(a) *Donations*

Donations of cash or assets are recognised in the statement of comprehensive income as and when the Company obtains control of the donation or the right to receive the donation; it is probable that the economic benefits comprising the donation will flows to the Company; and the amount of the donation can be measured reliably. Donation-in-kind is measured at the fair value of the goods or services received and are recognised upon delivery of the goods or services.

(b) *Grant income*

Subventions and grants from government organisations and other bodies are recognised in the statement of comprehensive income only when there is reasonable assurance that the Company has complied with the conditions of the grants. Such grants are recognised at fair value. Operating grants are calculated based on funding principles of the relevant government organisations.

Subsequent adjustments to operating grants are recognised in the statement of comprehensive income in the year in which they are finalised by the relevant government organisations.

Grants received but not utilised which are repayable are included under liabilities in the statement of financial position.

Grant income is accounted for in accordance with the accounting policy for government grants as detailed in Note 2.10 above.

2.12 *Employee benefits*

(a) **Defined contribution plans**

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) **Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. Summary of significant accounting policies (cont'd)

2.13 *Lease*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant accounting judgments and estimates

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

Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period.

4. Income

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Other income		
Sponsorship	56,200	60,213
Events	35,160	7,730
Government incentives	20,593	12,182
Other income	23,617	6,052
	135,570	86,177

Government incentives mainly relates to Temporary Employment Credit (TEC), Special Employment Credit (SEC) and Productivity and Innovation Credit (PIC).

Donation income relates to voluntary donations.

5. Plant and equipment

	Furniture & fittings S$	Office equipment S$	Performance assets S$	Computers S$	Total S$
Cost					
At 17.2.2015 (date of incorporation)	–	–	–	–	–
Additions	–	13,650	7,291	1,398	22,339
At 31.3.2016	–	13,650	7,291	1,398	22,339
At 31.3.2016 and 1.4.2016	–	13,650	7,291	1,398	22,339
Additions	1,200	849	16,695	5,066	23,810
At 31.3.2017	1,200	14,499	23,986	6,464	46,149
Accumulated depreciation					
At 17.2.2015 (date of incorporation)	–	–	–	–	–
Charge during the financial period	–	2,730	206	1,398	4,334
At 31.3.2016	–	2,730	206	1,398	4,334
At 31.3.2016 and 1.4.2016	–	2,730	206	1,398	4,334
Charge during the financial year	200	2,758	2,388	4,898	10,244
At 31.3.2017	200	5,488	2,594	6,296	14,578
Net carrying amount					
At 31.3.2016	–	10,920	7,085	–	18,005
At 31.3.2017	1,000	9,011	21,392	168	31,571

6. Other operating expenses

Included in other operating expenses are the following items:

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Performance expenses	674,682	233,425
Production expenses	30,797	50,416
Operating lease expense (Note 12)	22,238	22,116
Professional fees	25,089	21,369

7. Other receivables

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Sundry debtors	5,500	9,439
Deposits	460	460
Total other receivables	5,960	9,899
Add: Cash and bank balances (Note 8)	1,512,730	1,007,808
Total loans and receivables	1,518,690	1,017,707

8. Cash and cash equivalents

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Cash and bank balances	1,512,730	1,007,808
Less: restricted cash balances	(519,380)	(660,065)
	993,350	347,743

Restricted cash balances relate to grants received for specific purposes.

9. Other payables

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Accrued operating expenses	12,003	8,400
Other payables	–	6,262
Total other payables representing financial liabilities carried at amortised cost	12,003	14,662

10. Grants received in advance

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
At beginning of the financial year	665,465	–
Grants received during the financial year/period	611,989	778,265
Operating grants utilised	(752,734)	(112,800)
Amounts refunded during the financial year/period	(5,340)	–
At end of the financial year	519,380	665,465

Grants received in advance mainly relates to Culturing Matching Funds (CMF) received from Ministry of Culture, Community and Youth (MCCY) for developing capabilities for the long-term sustainability of the organisation and the cultural sector as a whole and seed grant from National Art Council (NAC) for the achievement of programmes, the development of artistic practice, professional experience and audience engagement with the arts.

11. Income tax

No provision has been made for tax as the Company is exempted from tax in accordance with Section 13(1)(zm) of the Singapore Income Tax Act.

12. Operating lease commitments

Operating lease commitments - as lessee

The Company have entered into operating leases on the premises. The lease has an average tenure of 3 years with no contingent rent provision included in the contracts.

Rental and service fee expenses for premises which are recognised in the statement of comprehensive income amounted to $22,238 (2016: $22,116) (Note 6).

12. Operating lease commitments (cont'd)

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	1.4.2016 to 31.3.2017 S$	17.2.2015 to 31.3.2016 S$
Not later than one year	20,783	21,912
Later than one year but not later than five years	19,051	41,998
	39,834	63,910

13. Financial risks 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.

It is, and has been throughout the current and previous financial year/period, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Financial assets that are neither past due nor impaired

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

(b) Liquidity risk

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

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

13. Financial risks management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The table below summarises the Company's financial liabilities that will be settled on a net basis into the relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted payments:

	Within 1 year S$	Total S$
2017		
Financial assets:		
Other receivables	5,960	5,960
Restricted cash	519,380	519,380
Cash and cash equivalents	993,350	993,350
	1,518,690	1,518,690
Financial liabilities:		
Accrued operating expenses	12,003	12,003
Total undiscounted financial assets	1,506,687	1,506,687
2016		
Financial assets:		
Other receivables	9,899	9,899
Restricted cash	660,065	660,065
Cash and cash equivalents	347,743	347,743
	1,017,707	1,017,707
Financial liabilities:		
Accrued operating expenses	8,400	8,400
Other payables	6,262	6,262
	14,662	14,662
Total undiscounted financial assets	1,003,045	1,003,045

14. Fair values of financial instruments

The Company has determined that the carrying amounts of other receivables, cash and cash equivalents, deposits and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

15. Fund management

The primary objective of the Company's fund management is to ensure that it maintains a healthy cash balances in order to support its activities.

The Company manages its funds structure and makes adjustment to it, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year/period ended 31 March 2017 and 2016.

The Company is currently in net cash surplus position. The Company does not have any debts apart from those that arise from day-to-day operations.

16. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 23 August 2017.