

**ART OUTREACH SINGAPORE
LIMITED**

[UEN. 200304127K]
[IPC No. IPC000073]

[A company limited by guarantee and not having share
capital]
[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

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Fiducia LLP

(UEN. T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Art Outreach Singapore Limited (the "Company") for the financial year ended 31 March 2019.

In the opinion of the directors,

- a) the financial statements drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Yo Mae-Yin Mabelin Mrs Mabelin Yo Anderson
Audrey Phng Hwee Hieh
Kaori Kathleen Zage
Asa Tucker (Appointed on 08 April 2019)

Arrangements to enable directors to acquire benefits

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

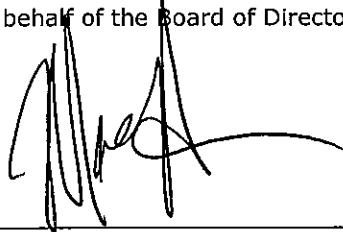
Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Independent auditors

The independent auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Yo Mae-Yin Mabelin Mrs Mabelin Yo Anderson
Director



Kaori Kathleen Zage
Director

Singapore, **25 SEP 2019**

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Chartered Accountants of
Singapore

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Art Outreach Singapore Limited** (the "Company"), which comprise the statement of financial position as at 31 March 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows 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 "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in the funds 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 the other information. The other information comprises the Directors' Statements, 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.

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(CONT'D)

Independent auditor's report to the members of:

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance comprises the directors. Their 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.

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Independent auditor's report to the members of:

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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.

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

Report on Other Legal and Regulatory Requirements

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

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 25 SEP 2019

Partner-in-charge: Soo Hon Weng
PAB No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General Fund S\$	Cultural Matching Fund S\$	S\$
2019				
INCOME				
Income from generating funds				
<u>Voluntary income</u>				
Donations		8,510	0	8,510
<u>Activities for generating funds</u>				
Gala Dinner and Auction proceeds	6	294,400	0	294,400
<i>Grants:</i>				
- Cultural Matching Grant		0	248,852	248,852
- National Arts Council - Arts Space Open Call Scheme		21,300	0	21,300
- National Arts Council - Project Grant - Art Week 2019		45,000	0	45,000
- National Arts Council - Project Grant - The ARTery 2019		192,275	0	192,275
- National Arts Council - Major Grant		105,000	0	105,000
- Tote Board Fundraising Grant		50,000	0	50,000
- Singapore Tourism Board Sponsorship - IMPART Symposium		13,097	0	13,097
		<u>426,672</u>	<u>248,852</u>	<u>675,524</u>
		<u>729,582</u>	<u>248,852</u>	<u>978,434</u>
Income from charitable activities				
<u>Service income</u>				
- Art in the MRT		17,600	0	17,600
- Public Art Assembly		4,800	0	4,800
- The Singapore Story Assembly		8,800	0	8,800
Booth rental income - The ARTery 2019		31,984	0	31,984
Merchandise sales		11,450	0	11,450
Tour fees		23,655	0	23,655
		<u>98,289</u>	<u>0</u>	<u>98,289</u>
Other income				
Temporary employment credit		158	0	158
Wages credit scheme		8,500	0	8,500
Child care leave		470	0	470
Miscellaneous income		46	0	46
		<u>9,174</u>	<u>0</u>	<u>9,174</u>
TOTAL INCOME		<u>837,045</u>	<u>248,852</u>	<u>1,085,897</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

		Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General Fund S\$	Cultural Matching Fund S\$	S\$
2019 (CONT'D)	Note			
EXPENDITURE				
Cost of generating funds				
Fund raising expenses	6	64,415	23,837	88,252
Cost of charitable activities				
Service projects				
- Assembly programme		10,838	0	10,838
- Community programme		12,935	0	12,935
- Gillman Barracks		26,393	0	26,393
- IMPART programme		120,870	0	120,870
- School programme		1,307	0	1,307
- The ARTery 2019		215,694	0	215,694
Staff costs	7	141,189	9,467	150,656
Tour fees		13,232	0	13,232
		<u>542,458</u>	<u>9,467</u>	<u>551,925</u>
Governance and administrative costs				
Accounting fee		6,741	0	6,741
Audit fees		7,062	0	7,062
Bank charges		3,689	41	3,730
HR service fee		7,290	0	7,290
Marketing and communication		831	0	831
Office equipment		4,747	0	4,747
Office supplies		81	0	81
Postage and courier		231	0	231
Printing and stationery		365	0	365
Refreshment		257	0	257
Rental		21,984	0	21,984
Staff costs	7	65,660	9,429	75,089
Staff recruitment		855	0	855
Telephone		2,302	0	2,302
Transportation		172	0	172
Trademark and licenses		174	0	174
Upkeep of office		1,078	0	1,078
Utilities		1,122	0	1,122
Website hosting and maintenance		2,821	0	2,821
		<u>127,462</u>	<u>9,470</u>	<u>136,932</u>
TOTAL EXPENDITURE		<u>734,335</u>	<u>42,774</u>	<u>777,109</u>
NET INCOME FOR THE FINANCIAL YEAR		<u>102,710</u>	<u>206,078</u>	<u>308,788</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General Fund S\$	Cultural Matching Fund S\$	S\$
2018				
INCOME				
Income from generating funds				
<u>Voluntary income</u>				
Donations		16,686	0	16,686
<u>Activities for generating funds</u>				
Gala Dinner and Auction proceeds	6	388,262	0	388,262
<i>Grants:</i>				
- National Arts Council - Arts Space Open Call Scheme		49,700	0	49,700
- National Arts Council - Project Grant - Art Week 2018		44,000	0	44,000
- National Arts Council - Project Grant - Visual Thinking		10,000	0	10,000
- National Arts Council - Major Grant		115,000	0	115,000
		218,700	0	218,700
		623,648	0	623,648
Income from charitable activities				
Service income				
- Gillman Barracks		86	0	86
- MBS		255	0	255
- Public Art Assembly		17,100	0	17,100
- The Singapore Story Assembly		7,000	0	7,000
Merchandise sales		6,716	0	6,716
STB Collectors Dinner		16,948	0	16,948
Tour fees		33,204	0	33,204
		81,309	0	81,309
Other income				
Temporary employment credit		792	0	792
Miscellaneous income		1,551	0	1,551
		2,343	0	2,343
TOTAL INCOME		707,300	0	707,300

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)

	Note	Unrestricted fund	Restricted fund	Total unrestricted and restricted funds
		General Fund S\$	Cultural Matching Fund S\$	S\$
2018 (CONT'D)				
EXPENDITURE				
Cost of generating funds				
Fund raising expenses	6	44,705	0	44,705
Cost of charitable activities				
Service projects				
- Assembly programme		17,694	0	17,694
- Community programme		21,076	0	21,076
- Gillman Barracks		56,235	0	56,235
- IMPART programme		112,313	0	112,313
- School programme		3,445	0	3,445
- Volunteer programme		1,187	0	1,187
Staff costs	7	146,865	0	146,865
STB Collectors Dinner		16,948	0	16,948
Tour fees		16,626	0	16,626
		<u>392,389</u>	<u>0</u>	<u>392,389</u>
Governance and administrative costs				
Accounting fee		6,420	0	6,420
Audit fees		6,848	0	6,848
Bank charges		3,704	0	3,704
Entertainment		75	0	75
Gift		167	0	167
HR service fee		6,090	0	6,090
Office equipment		945	0	945
Office supplies		46	0	46
Postage and courier		62	0	62
Printing and stationery		3,524	0	3,524
Penalty		236	0	236
Refreshment		267	0	267
Secretarial fee		3,589	0	3,589
Staff costs	7	74,147	0	74,147
Staff recruitment		290	0	290
Telephone		2,225	0	2,225
Transportation		1,236	0	1,236
Trademark and licenses		168	0	168
Website hosting and maintenance		994	0	994
		<u>111,033</u>	<u>0</u>	<u>111,033</u>
TOTAL EXPENDITURE		<u>548,127</u>	<u>0</u>	<u>548,127</u>
NET INCOME FOR THE FINANCIAL YEAR		<u>159,173</u>	<u>0</u>	<u>159,173</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	811,871	491,479
Other receivables	10	<u>37,917</u>	<u>19,482</u>
		<u>849,788</u>	<u>510,961</u>
Non-current assets			
Plant and equipment	11	<u>0</u>	<u>0</u>
Total assets		<u>849,788</u>	<u>510,961</u>
LIABILITY			
Current liability			
Other payables	12	<u>46,501</u>	<u>16,462</u>
Total liability		<u>46,501</u>	<u>16,462</u>
NET ASSETS		<u>803,287</u>	<u>494,499</u>
FUNDS			
Unrestricted fund			
General fund	13	597,209	494,499
Restricted fund			
Cultural Matching Fund	13	<u>206,078</u>	<u>0</u>
TOTAL FUNDS		<u>803,287</u>	<u>494,499</u>

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at the end of financial year S\$
2019			
Unrestricted fund			
General Fund	494,499	102,710	597,209
Restricted fund			
Cultural Matching Fund	<u>0</u>	<u>206,078</u>	<u>206,078</u>
Total Funds	<u>494,499</u>	<u>308,788</u>	<u>803,287</u>
	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at the end of financial year S\$
2018			
Unrestricted fund			
General Fund	335,326	159,173	494,499
Restricted fund			
Cultural Matching Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	<u>335,326</u>	<u>159,173</u>	<u>494,499</u>

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income for the financial year, representing operating cash flow before changes in working capital		308,788	159,173
Changes in working capital			
- Other receivables		(18,435)	112,560
- Other payables		30,039	(7,939)
Net cash generated from operating activities		<u>320,392</u>	<u>263,794</u>
Net increase in cash and cash equivalents		320,392	263,794
Cash and cash equivalents at beginning of financial year		<u>491,479</u>	<u>227,685</u>
Cash and cash equivalents at end of financial year	9	<u>811,871</u>	<u>491,479</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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

1. General information

Art Outreach Singapore Limited (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at 47 Malan Road, #01-24, Gillman Barracks, Singapore 109444.

The principal activities of the Company are as follows:

- (a) To promote, foster, improve, develop and inculcate interest in the visual arts in Singapore Schools;
- (b) To undertake an arts education programme for schools in Singapore;
- (c) To produce, manage and conduct arts appreciation talks, seminars, workshops, master classes, exhibitions for teachers, parents and school children in Singapore;
- (d) To provide training and conduct courses, classes, workshops and educational programme and other means for a fee or otherwise for painters, artists, sculptures in all aspect of visual arts; and
- (e) To do such other lawful things as are incidental or conducive to the attainment of the above object and provided that nothing shall be done for commercial reasons or solely for profit.

The Company is a company limited by guarantee. The Company was incorporated on 5 May 2003 and was registered as a charity on 15 October 2003. It has been accorded an Institutions of a Public Character ("IPC") status until 31 March 2019. The Company has renewed its IPC status from 1 April 2019 to 31 March 2022.

Each member of the company undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding S\$100.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Charities Act (Chapter 37). 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 Dollar ("S\$"), which is the Company's functional currency.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2018

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 April 2018. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but are not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

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

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

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services and programme fees

Revenue from rendering of services and programme fees are recognised when the services have been performed and rendered.

2.2.3 Rental income

Rental income earned during event is recognised when event is held.

2.2.4 Sales of goods

Revenue from sales of goods is recognised upon the issuance of invoice. Satisfaction of performance obligation is at a point of time. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.2.5 Other income

Other income is recognised upon receipt.

2.3 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. 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 the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.4 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible, where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the fundraising activities, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

2. Significant accounting policies (Cont'd)

2.4 Expenditure recognition (Cont'd)

2.4.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total costs of charitable expenses are apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance and administrative costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Plant and equipment

2.5.1 Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the plant and equipment.

2.5.2 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computers and software	5 years
Furniture and fixtures	3 years
Office equipment	3 years
Renovation	3 years

Fully depreciated plant and equipment are retained in the financial statement until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, each reporting date. The effects of any revision of the residual value and useful lives are included in the statement of financial activities on the financial year that the charges arise.

2.5.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

2. Significant accounting policies (Cont'd)

2.5 Plant and equipment (Cont'd)

2.5.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is recognised in statement of financial activities.

2.6 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.7 Financial assets

2.7.1 The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables

Cash and cash equivalents
Other receivables

Cash and cash equivalents and other receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Company's classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Company's business model for managing the financial asset as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities.

At subsequent measurement

Debt instruments

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Significant accounting policies (Cont'd)

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

2.9 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different 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 respective carrying amounts is recognised in the statement of financial activities.

2.10 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 Employee compensation

2.11.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.11.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

2.12 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

2. Significant accounting policies (Cont'd)

2.13 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.14 Foreign currencies

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

2.15 Funds

Restricted funds balance are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2.16 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, 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.

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the Company's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

3.2 Key sources of estimation uncertainty

The Company is of the opinion that there are no significant judgements made in applying accounting estimates that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

4. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

	2019 S\$	2018 S\$
Revenue from:		
Donations	8,510	16,686
Gala Dinner and Auction proceeds	294,400	388,262
Service income	31,200	24,441
Booth rental income	31,984	0
Merchandise sales	11,450	6,716
STB Collectors Dinner	0	16,948
Tour fees	23,655	33,204
Other income	9,174	2,343
	<u>410,373</u>	<u>488,600</u>

All revenue are recognised at a point in time.

There are no contract liabilities balances.

5. Donations

	2019 S\$	2018 S\$
Tax deductible donations	190,040	239,002
Non-tax deductible donations	38,370	51,446
	<u>228,410</u>	<u>290,448</u>

The donations were allocated as follows:

• Donations		
- tax deductible	7,740	5,440
- non-tax deductible	770	11,246
• Gala Community Program Sponsorship		
- tax deductible	28,000	39,000
- non-tax deductible	1,000	2,000
• Gala Auction Lots		
- tax deductible	71,500	22,500
- non-tax deductible	0	10,000
• Gala Table Sales		
- tax deductible	63,600	104,400
- non-tax deductible	36,600	28,200
• Impart Gala Donations		
- tax deductible	19,200	67,662
	<u>228,410</u>	<u>290,448</u>

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$193,840 (2018: S\$233,002) pursuant to its Institutions of a Public Character ("IPC") status.

6. Fund raising – Gala dinner

	2019 S\$	2018 S\$
Income		
Community Program Sponsorship	29,000	41,000
Fund raising from Gala Auction Lots	146,000	147,000
Fund raising from Gala Table Sales	100,200	132,600
IMPART Fund raising Gala Donations	19,200	67,662
	<u>294,400</u>	<u>388,262</u>
Expenditures		
IMPART Fund raising Gala	67,428	44,262
IMPART Symposium	20,824	0
Sovereign Asian Art Prize	0	443
	<u>88,252</u>	<u>44,705</u>
Net income from fund raising – gala dinner	<u>206,148</u>	<u>343,557</u>

7. Staff costs

	2019 S\$	2018 S\$
Staff salaries, allowance and bonuses	213,896	188,744
Staff training	505	1,435
Staff welfare	251	76
Employer's contribution to CPF	10,830	30,429
SDL	263	328
	<u>225,745</u>	<u>221,012</u>
	2019 S\$	2018 S\$
The staff costs were allocated as follows:		
- Cost of charitable activities	150,656	146,865
- Governance and administrative costs	75,089	74,147
	<u>225,745</u>	<u>221,012</u>

8. Income tax

The Company is a registered charity under the Charities Act, Chapter 37 since 15 October 2003. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

9. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash on hand	26	60
Cash at bank	<u>811,845</u>	<u>491,419</u>
	<u>811,871</u>	<u>491,479</u>

At the reporting date, the carrying amount of cash and cash equivalents approximate its fair values.

10. Other receivables

	2019 S\$	2018 S\$
Grant receivables	16,100	8,800
Sponsorship receivables	13,097	0
Service and fee receivables	4,125	6,195
Security deposits	<u>4,595</u>	<u>4,487</u>
	<u>37,917</u>	<u>19,482</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.

11. Property, plant and equipment

	Computers and software S\$	Furniture and fixtures S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost					
At 1 April 2017	21,625	5,641	8,972	29,458	65,696
Additions	0	0	0	0	0
At 31 March 2018 and 31 March 2019	21,625	5,641	8,972	29,458	65,696
Accumulated depreciation					
At 1 April 2017	21,625	5,641	8,972	29,458	65,696
Depreciation	0	0	0	0	0
At 31 March 2018 and 31 March 2019	21,625	5,641	8,972	29,458	65,696
Carrying amount					
31 March 2018	0	0	0	0	0
31 March 2019	0	0	0	0	0

12. Other payables

	2019 S\$	2018 S\$
Accruals	10,178	13,602
Other payables	<u>36,323</u>	<u>2,860</u>
	<u>46,501</u>	<u>16,462</u>

Other payables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

At the reporting date, the carrying amounts of other payables approximate their fair values.

13. Funds

Funds comprise of unrestricted and restricted funds.

a) Unrestricted general fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company.

b) Restricted fund

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its company purposes.

Restricted funds comprise:

Cultural Matching Fund ("CMF")

The Cultural Matching Fund (CMF) is a fund set up by the Ministry of Culture, Community and Youth ("MCCY") to provide dollar-for-dollar matching grants for private cash donations to arts and heritage charities or IPC. The CMF doubles the value of every cash donation for the receiving charities or IPC which can be put to various uses, including developing the capabilities for the long-term sustainability of the charities or IPC and the cultural sector as a whole. The National Arts Council ("NAC") is the appointed CMF Secretariat for the administration of the CMF.

If the funds are not utilised in accordance with the approved uses of the CMF, the charities or IPC will not be allowed to apply for future matching grants from the CMF. The CMF Board of Trustees reserves the right to request for the monies to be returned, so that other eligible charities or IPC can benefit from the fund.

14. Related party transactions

(a) Related party transactions and balances

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and its related parties took place at terms agreed between the parties during the financial year:

	2019 S\$	2018 S\$
Donation received from the directors	10,800	9,900
Donation received from other related parties	<u>8,000</u>	<u>12,000</u>

Other related parties refer to parties closely related to the Company's directors.

(b) Remuneration of key management personnel

The remuneration of key management personnel during the financial year is as follows:

	2019 S\$	2018 S\$
<u>Key management personnel – Executive Director</u> Salaries, allowance and bonuses	<u>76,250</u>	<u>73,950</u>
Post-employment benefits – Skill development levy	<u>110</u>	<u>121</u>

During the current and previous year, none of the Directors received any remuneration from the Company.

15. Employees' remuneration

During the current and previous year, none of the Company's employees were remunerated more than or equal to S\$100,000.

16. Operating lease commitments

The Company leases office premise from a non-related party under non-cancellable operating lease agreement.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities was as follow:

	2019 S\$	2018 S\$
Not later than one year	<u>14,548</u>	<u>14,085</u>

17. Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised costs are as follows:

	2019 S\$
Financial assets, at amortised cost	849,788
Financial liabilities, at amortised cost	<u>46,501</u>
	2018 S\$
Loans and receivables	510,961
Financial liabilities, at amortised cost	<u>16,462</u>

18. Financial risk management

The Company is mainly exposed to credit risk, liquidity risk and interest rate risk.

Risk management is carried out under policies approved by the Board of Directors. The Board reviews and agrees on policies and procedures for management of these risks.

18.1 Credit risk

Credit risk is the potential financial loss resulting from the counterparty defaulting on its contractual obligations to the Company.

The Company has minimal exposure to credit risks due to the nature of its activities.

18.2 Liquidity risk

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

The Company manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the directors to fund the Company's charitable activities.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on the contractual undiscounted repayment obligations:

2019	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets			
Cash and cash equivalents	811,871	0	811,871
Other receivables	<u>37,917</u>	<u>0</u>	<u>37,917</u>
	849,788	0	849,788
Financial liabilities			
Other payables	<u>(46,501)</u>	<u>0</u>	<u>(46,501)</u>
Net financial assets	<u>803,287</u>	<u>0</u>	<u>803,287</u>

18. Financial risk management (Cont'd)

18.2 Liquidity risk (Cont'd)

2018	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets			
Cash and cash equivalents	491,479	0	491,479
Other receivables	19,482	0	19,482
	510,961	0	510,961
Financial liabilities			
Other payables	(16,462)	0	(16,462)
Net financial assets	494,499	0	494,499

18.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

19. Fair values

As at 31 March 2019, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

20. Reserve policy and position

The Company's reserve position for financial year ended 31 March 2019 is as follows:

		2019	2018	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general fund	597	494	20.77%
B	Restricted or Designated funds			
	Designated funds	N/A	N/A	
	Restricted funds	206	0	N/A
C	Endowment funds	N/A	N/A	
D	Total funds	803	494	62.45%
E	Total annual operating expenditure	777	548	41.78%
F	Ratio of funds to annual operating expenditure (A/E)	0.77	0.90	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative Costs.

20. Reserve policy and position (Cont'd)

The Company's Reserve Policy is as follows:

The reserves that the management have set aside provide financial stability and the means for the development of the Company's principal activity. The management intend to establish the reserves at a level equivalent to 1 year of operating expenditure through increasing awareness of their activities, seeking more donors both private and corporate and fund raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil their continuing obligations.

21. Management of conflict of interest

There is no paid staff in the Company's Board of Directors.

The Board of Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Director may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on **25 SEP 2019**