

ANNUAL REPORT

***SCAPE CO., LTD.**

Annual Report for the Year Ended 31 March 2016

The Company is limited by guarantee. It was registered as a charity under the Charities Act (Chapter 37) since 22 November 2007.

The Company is under the purview of Ministry of Culture, Community and Youth ("MCCY").

Unique Entity Number (UEN)	:	200712761D															
Registered Address	:	2 Orchard Link #04-01 Singapore 237978															
Board of Directors	:	<table><tr><td>1. David Chua</td><td>7. Kenneth Kwok</td></tr><tr><td>2. Muhammad Imaduddin Bin Abdul Karim</td><td>8. Jesher Loi</td></tr><tr><td>3. Hadi Wahyuni Adiputri</td><td>9. Zaini Bin Mohammad Tahir</td></tr><tr><td>4. Colin Goh</td><td>10. William Ng</td></tr><tr><td>5. Heng Guan Teck</td><td>11. Ong Boon Hwee</td></tr><tr><td>6. Kuik Shiao-Yin</td><td>12. Rachel Ong</td></tr><tr><td></td><td>13. Christopher Pragasam</td></tr></table>		1. David Chua	7. Kenneth Kwok	2. Muhammad Imaduddin Bin Abdul Karim	8. Jesher Loi	3. Hadi Wahyuni Adiputri	9. Zaini Bin Mohammad Tahir	4. Colin Goh	10. William Ng	5. Heng Guan Teck	11. Ong Boon Hwee	6. Kuik Shiao-Yin	12. Rachel Ong		13. Christopher Pragasam
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	13. Christopher Pragasam																
Auditors	:	Fiducia LLP Public Accountants and Chartered Accountants, Singapore															

ABOUT *SCAPE

*SCAPE Co. Ltd is a non-profit organisation with its mission and vision rooted in support of youth, talent and leadership development. The organisation aims to facilitate youth-oriented programmes and support within various communities of youth interests in Singapore. The youth of today will be inspired and empowered to DREAM IT AND LIVE IT at *SCAPE.

*SCAPE exists to serve and support youths to live their dreams and realise their full potentials. As the integrated talent and resource hub for young people in Singapore, *SCAPE offers a holistic network of programmes, communities, partners and facilities for youths to explore, create and strive. No dream is too small, no dream is too big. *SCAPE wants youths to be inspired to come forward and share their interests, share their dreams. Through guidance and facilitation, *SCAPE wants to see their dreams turn into ideas, and ideas into reality. Living their dreams should no longer be a dream at *SCAPE.

VISION

To be a celebrated talent and resource hub for aspiring youth, offering diverse, cutting-edge and trend-setting possibilities to all young Singaporeans.

MISSION

*SCAPE steps forward as a platform for youth expression, an enabler of youth initiatives and an engine for identifying, developing and promoting youth talents.

BOARD OF DIRECTORS

The *SCAPE team keeps itself accountable to a Board of Directors comprising of government representatives and leaders from both people and public sectors with vested interest and commitment towards the development of youth in Singapore.

The Board meets to deliberate on issues pertaining to the strategic direction of *SCAPE and are also involved in an advisory capacity in areas such as financial management, programming and partnership evaluations.

The principal activities of the Company are to carry on the activities of promoting social responsibility among youths through activities, projects and related activities.

Memberships

The Company does not have a share capital. The members of the Company guarantee to contribute a sum not more than S\$1 each to the assets of the Company in the event of winding up. As at 31 March 2016, the Company has 2 members.

Executive Director

Mr Pragasam Christopher Joachim is the appointed Executive Director since 7 October 2014.

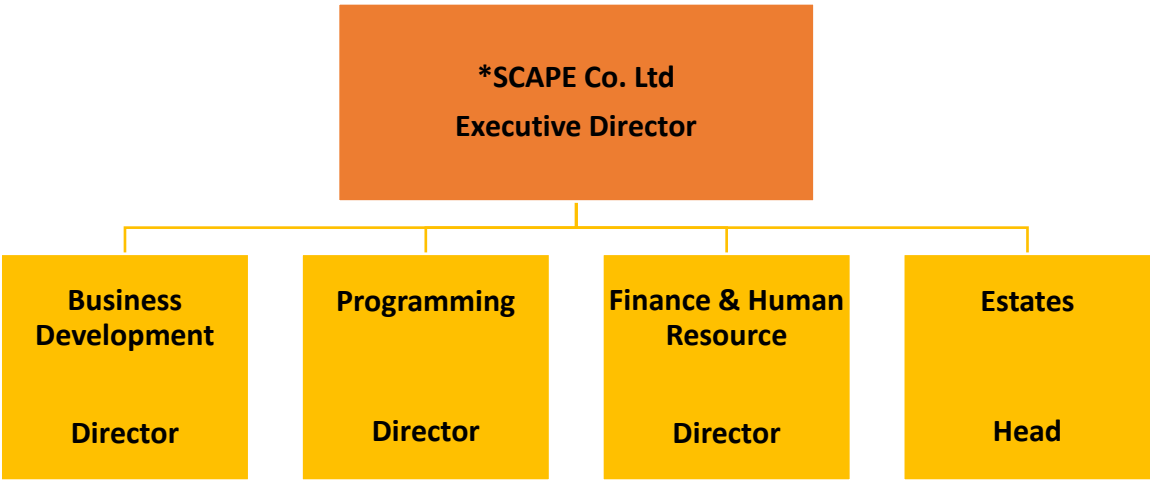
Chairman of Board of Directors

Mr Chua David is the appointed Chairman since 12 July 2015.

Management of Conflict of Interest

If the Director of the Company is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Company or any sub-committee thereof, at which the contract or other matter is the subject of consideration, the Director shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration or discussion of, and shall not vote on, any question with respect to the that contract or other matter.

ORGANISATIONAL CHART



REVIEW OF THE YEAR 2015/2016

Programming Signature Events

*SCAPE's enhancements of its programming initiatives and infrastructure were mentioned by Ms Low Yen Ling, Parliamentary Secretary, Ministry of Culture, Community and Youth, during the Committee of Supply debate at Parliament on 12 March 2015. New programmes for the year that were announced revolves mostly around music, dance and media – areas which drew strong interest from the 1,000 young people consulted last year.

*SCAPE maintains a calendar chockfull of events catered to youth interests. As part of the organisation's mission as a platform for youth expression, *SCAPE curates a list of Signature Events throughout the year to actively engage our youth.

***SCAPE Invasion Tour (April 2015 to December 2015)**

The *SCAPE Invasion Tour was launched in April 2015 as an outreach programme that seeks to showcase made-in-Singapore bands and musicians like The Sam Willows, Gentle Bones, ShiGGa Shay, Michaela Therese and THELIONCITYBOY. Jointly presented by *SCAPEmusic and Invasion Singapore, the tour featured a series of live music performances and local music industry education to 32 secondary schools, junior colleges and Institutes of Higher Learning all year round.



***SCAPE CONFESSTIVAL x 2ndGGC Anniversary (5 April 2015)**

The Grizzle Grind Crew partnered *SCAPE to celebrate their 2nd anniversary on 5 April 2015. The crew, led by ShiGGa Shay, performed their previous hits alongside well-known international artistes like Joe Flizzow and Dumbfoundead. Also, in conjunction with SGMUSO and *SCAPEmusic, the crew conducted a series of workshops where youths are able to learn about rapping, DJ-ing and music video-making, as well as a panel titled *On My Grind*, with Joe Flizzow and Dumbfoundead sharing about their music careers, success and sources of motivation.



National Youth Film Awards (April 2015 to July 2015)

The National Youth Film Awards was launched in April 2015 to establish a benchmark in national excellence and talent identification between the film industry and IHLs offering film-related and animation courses. Organised by *SCAPEmedia and Sinema Media, the competition is open to Singapore citizens and permanent residents under the age of 35 and enrolled as full-time students in media-related courses at an institute of higher learning in Singapore.

The inaugural competition received 238 submissions and were assessed by a Jury made up of well-known names in the media industry like Jack Neo and Royston Tan. A total of 14 awards were presented to the winners at the Award Ceremony on Saturday, 23 July 2016. Workshops and screenings were also held for youths who are interested in the film industry and want to expand their knowledge about filmmaking.



Skill Up (9 – 10 May 2015)

Skill Up 2015 was a career conference organised by *SCAPEpersonaldiscovery, Templo and Quartz Initiative, to bridge the gap most youths face regarding career development and selection. The two-day event featured a series of talks for youth to attend, including topics ranging from employers to industry experts, subject matters such as “What skillsets do I look for when I hire?”, as well as panel discussions on career development.



YouTube FanFest (22 - 24 May 2015)

This third edition of the YouTube FanFest was held at *SCAPE for the second consecutive time and featured 30 YouTubers, including songwriter-producer Kurt Hugo Schneider, singer-songwriter Tiffany Alvord, production company Wong Fu Productions and beauty and lifestyle vlogger Bubzbeauty.

Local personalities who represented Singapore at the event include rapper ShiGGa Shay, pop-folk band The Sam Willows and singer-songwriter Gentle Bones.



*SCAPE Marketplace Jubilee Edition (7 – 9 August 2015)

*SCAPE held a special jubilee edition of *SCAPE Marketplace, in celebration of the nation's 50th birthday, featuring a wide array of uniquely Singapore merchandise and exclusive SG50 promotions, as well as up-and-coming local brands selling artisanal, handcrafted and self-designed goods.



***SCAPE The Invasion (5 December 2015)**

*SCAPE*music* and Invasion Singapore bookended the year by transforming into a festive village for youths to enjoy during the year-end school holiday and Christmas festivities. The event featured three separate stages, including The Ground Theatre and the newly renovated Bandstand and Gallery, with slew of performances by Stopgap, Take Two, The Summer State, HubbaBubbba, The Fire Fight, Caracal and Charlie Lim & The Mothership. Apart from music performances, a specially curated edition of *SCAPE Marketplace was held, featuring unique goods, quirky artisanal crafts and accessories from young talented makers in Singapore.



(in)VISIBLE (13 February 2016)

in(VISIBLE) was a forum theatre show that explored mental disorders like depression, anxiety and psychosis through a participative multi-sensory experience. Through the show, youths can explore how they can support others in similar situations.

This production was part of *SCAPE*personal discovery's* series of COMMUNITY conversations which uses theatre to spark conversations and explore different social issues.



***SCAPE Radikal Forze Jam (18 – 20 March 2016)**

The ninth edition of the Radikal Forze Jam took place at *SCAPE, in collaboration with Destructive Steps, an international urban dance competition based in Australia. The event featured several competitions in three key dance categories: All-Styles, B-Boy, and Popping, and were judged by a panel of dancers and choreographers from all over the world. The street dance festival featured showcase performances from star talents around Asia, such as Triqstar and IP Lockers and Kinjaz.

Other activities included beatboxing workshops, a graffiti competition and a beach party to finish things off on the third day.



RETAIL MANAGEMENT

*SCAPE retail outlets continue to be youth focussed with emphasis on fashion, lifestyle, F&B and entertainment outlets.

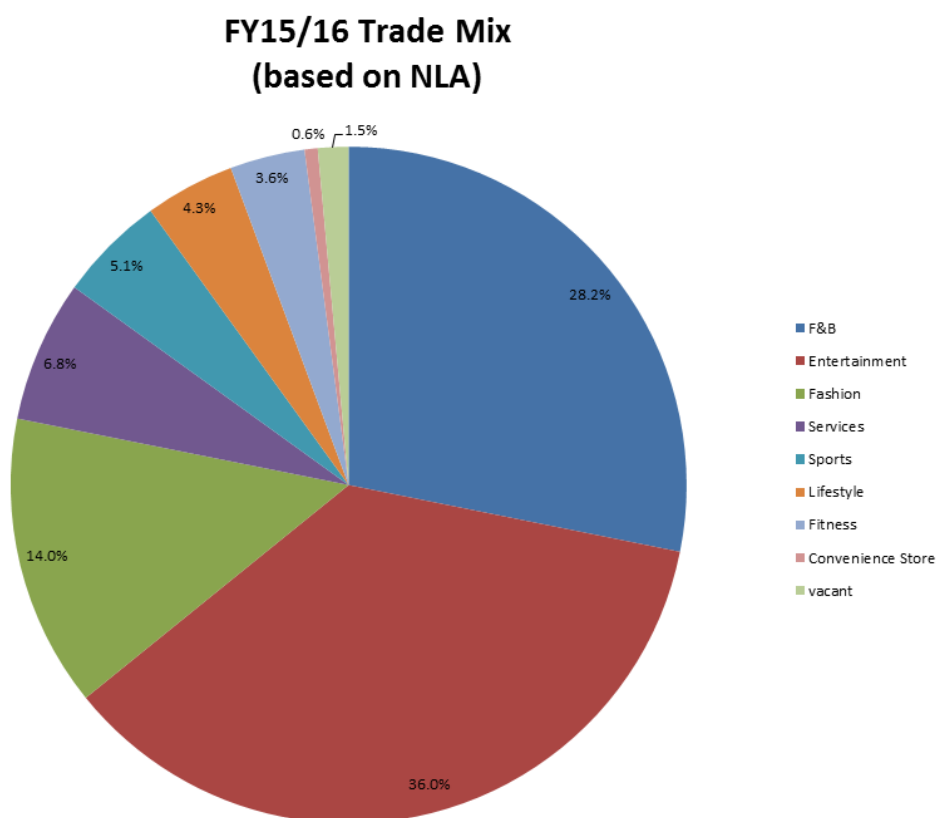
Net Lettable Area (NLA) remains unchanged with total 101 units. Occupancy has increased from 95% (FY14/15) to 98% (FY15/16).

Some of the key tenants include I Love Taimei, Astons, Sakae Sushi, New Balance, Nene Chicken, Toast Box, Gong Cha, McDonalds, K Box, Alley, Equilibrium MMA, DBS and Cheers, etc.

Foot fall traffic count has also improved by 10% to average 488k/month compared FY14/15.

*SCAPE Underground continues to act as a retail incubation centre for aspiring retail entrepreneurs. This programme is sponsored by DBS Remix, where youth entrepreneurs go through a selection shortlist process, followed by a boot camp, to operate retail units. MOUs have been agreed with ITE, Nanyang Polytechnic and Republic Polytechnic to operate retail concepts in the Underground.

Tenant mix based on NLA as follow:



INSTITUTIONAL TENANTS

*SCAPE also supports many Youth Service Organisations as part of the youth hub eco-system that includes the development and promotion of youth talents in Singapore.

Some of our developmental institutional tenants include Halogen Singapore (Youth Leadership Development) and Heartware Network (Youth Volunteerism). Other key institutional tenants that caters to youth aspirations and interests include J Team Productions (Media), O School (Dance), ComCorp by The Living! Project (Urban Farming), Ocean Butterflies and BEAT'ABOX (Music).



FINANCE & HUMAN RESOURCE

Staffing

As at 31 March 2016, there are 34 staff employed by the Company.

Financial

The Company has a surplus of S\$1.8 million for the financial year ended 31 March 2016. The Company transferred S\$2.5 million from its general fund to a sinking fund for infrastructural and capability development, bringing the sinking fund to \$5 million.

Reserves Policy

The Company intends to maintain its reserve at two (2) years expenditure for its operational needs.

The Management reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Company's continuing obligations annually. Beyond the annual review, the Management will alert the Finance Subcommittee and put in place a mechanism to flag to the Board if reserves are drawn down or have gone below a certain level.

Principal Funding Sources

The Company derives rental revenue and is also supported by government grants.

***SCAPE CO., LTD.**

[UEN. 200712761D]

[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 2016

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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) 6725.8161

DIRECTORS' STATEMENT

The directors present their statements to the members together with the audited financial statements of the Company for the financial year ended 31 March 2016.

In the opinion of the directors,

- a) the financial statements of the Company as set out on pages 5 to 27, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016, and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; 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:

Muhamad Imaduddin Bin Abdul Karim	(Re-appointed on 01 October 2015)
Ong Boon Hwee	(Re-appointed on 01 October 2015)
Loi Terway, Jeshar	(Re-appointed on 01 October 2015)
Kuik Shiao-Yin	(Re-appointed on 01 October 2015)
William Ng Wee Liang	(Re-appointed on 01 October 2015)
Pragasam Christopher Joachim	
Chua David	
Heng Guan Teck	(Appointed on 01 October 2015)
Hadi Wahyun Adiputri	(Appointed on 01 October 2015)
Goh Colin	(Appointed on 01 October 2015)
Kwok Siew Loong Kenneth (Guo Zhaolong Kenneth)	(Appointed on 01 October 2015)
Zaini Bin Mohammad Tahir	(Appointed on 01 October 2015)
Rachel Ong Sin Yen (Wang Xinyan)	(Appointed on 01 October 2015)

Arrangements to enable directors to acquire shares and/or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement 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.

Auditors

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

On behalf of the directors,


Pragasam Christopher Joachim
Director


Chua David
Director

Singapore, **20 SEP 2016**

Fiducia LLP

Public Accountants and
Chartered Accountants of
Singapore

71 Ubi Crescent
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Singapore 408571.
T: (65) 6846.8376
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Independent auditor's report to the members of:

***SCAPE CO., LTD.**
[UEN. 200712761D]

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

Report on the Financial Statements

We have audited the accompanying financial statements of *SCAPE CO., LTD. (the "Company") set out on pages 5 to 27, which comprise the statement of financial position as at 31 March 2016, statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Cap. 50 (the "Act"), the Singapore Charities Act (Chapter 37) (the "Charities Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fiducia LLP

Public Accountants and
Chartered Accountants of
Singapore

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(CONT'D)

Independent auditor's report to the members of:

***SCAPE CO., LTD.**
[UEN. 200712761D]

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[Incorporated in the Republic of Singapore]

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

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 provision 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:

- a) the use of the donation moneys was not in accordance with the objectives of the Company 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 (Fund-raising expenses) of the Charities (Institutions of a Public Character) regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **20 SEP 2016**

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

		2016				2015			
	Note	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Fund S\$	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Fund S\$
INCOME									
Income from generating funds									
Voluntary income									
Donations		760	0	0	760	0	0	0	0
Donations – Fund raising		0	0	0	0	550	0	0	550
Donations – SG Gives		965	0	0	965	1,018	0	0	1,018
Expenditure grant from MCCY	11	2,586,821	0	0	2,586,821	2,955,322	0	0	2,955,322
Sponsorship received		0	0	0	0	86,729	0	0	86,729
		<u>2,588,546</u>	<u>0</u>	<u>0</u>	<u>2,588,546</u>	<u>3,043,619</u>	<u>0</u>	<u>0</u>	<u>3,043,619</u>
Activities for generating funds									
Allowance for impairment of trade receivables no longer required	7	73,403	0	0	73,403	111,871	0	0	111,871
Estate income – car park fees		543,904	0	0	543,904	555,244	0	0	555,244
Finance charges		0	0	0	0	4,770	0	0	4,770
Rental income		6,358,361	0	0	6,358,361	6,444,844	0	0	6,444,844
Venue income		868,006	0	0	868,006	928,186	0	0	928,186
		<u>7,843,674</u>	<u>0</u>	<u>0</u>	<u>7,843,674</u>	<u>8,044,915</u>	<u>0</u>	<u>0</u>	<u>8,044,915</u>
Income from charitable activities									
Programming grant		1,052,328	0	0	1,052,328	798,323	0	0	798,323
Programming grant - Nodes		39,881	0	0	39,881				
Ticket sales & collections		4,618	0	0	4,618	26,944	0	0	26,944
		<u>1,096,827</u>	<u>0</u>	<u>0</u>	<u>1,096,827</u>	<u>825,267</u>	<u>0</u>	<u>0</u>	<u>825,267</u>
Other income									
Credit Scheme from CPF Board		85,018	0	0	85,018	62,333	0	0	62,333
Interest income		17,730	0	0	17,730	5,830	0	0	5,830
Miscellaneous income		12,548	0	0	12,548	16,431	0	0	16,431
		<u>115,296</u>	<u>0</u>	<u>0</u>	<u>115,296</u>	<u>84,594</u>	<u>0</u>	<u>0</u>	<u>84,594</u>
TOTAL INCOME		11,644,343	0	0	11,644,343	11,998,395	0	0	11,998,395

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
(CONT'D)**

		2016				2015			
	Note	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Fund S\$	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Funds S\$
EXPENDITURE									
Cost of generating funds									
Allowance for impairment of trade receivables	7	16,454	0	0	16,454	28,115	0	0	28,115
Amortisation of deferred capital grants	10	(264,950)	0	0	(264,950)	(264,950)	0	0	(264,950)
Cleaning expenses		440,746	0	0	440,746	387,908	0	0	387,908
Depreciation	8	888,048	0	0	888,048	516,047	0	0	516,047
Estate expenses – building and maintenance		501,340	0	0	501,340	511,297	0	0	511,297
Fund raising expenses		0	0	0	0	1,041	0	0	1,041
Impairment loss of trade receivables		4,712	0	0	4,712	199	0	0	199
Insurance		14,126	0	0	14,126	10,312	0	0	10,312
Licenses and permits		3,164	0	0	3,164	2,553	0	0	2,553
Marcom expenses		94,493	0	0	94,493	39,983	0	0	39,983
Miscellaneous	2		0	0	2	2,609	0	0	2,609
Property, plant and equipment written off		86,570	0	0	86,570	11,383	0	0	11,383
Rental of premises		4,808,462	0	0	4,808,462	4,787,116	0	0	4,787,116
Rental subvention		(1,899,412)	0	0	(1,899,412)	(2,005,548)	0	0	(2,005,548)
Retail expenses		723,524	0	0	723,524	716,748	0	0	716,748
Security expenses		296,251	0	0	296,251	285,245	0	0	285,245
Utilities		607,914	0	0	607,914	646,590	0	0	646,590
Venue expenses		8,441	0	0	8,441	3,299	0	0	3,299
		<u>6,329,885</u>	<u>0</u>	<u>0</u>	<u>6,329,885</u>	<u>5,679,947</u>	<u>0</u>	<u>0</u>	<u>5,679,947</u>
Cost of charitable activities									
Programmes expenses		974,386	0	0	974,386	615,263	0	0	615,263
Programmes expenses-Nodes		54,586	0	0	54,586	0	0	0	0
		<u>1,028,972</u>	<u>0</u>	<u>0</u>	<u>1,028,972</u>	<u>615,263</u>	<u>0</u>	<u>0</u>	<u>615,263</u>
Governance and administrative costs									
Audit fee		11,196	0	0	11,196	11,107	0	0	11,107
Bank charges		1,300	0	0	1,300	1,138	0	0	1,138
Maintenance / repairs		29,976	0	0	29,976	19,536	0	0	19,536
Entertainment		2,355	0	0	2,355	3,211	0	0	3,211
General insurance		9,400	0	0	9,400	9,819	0	0	9,819
Hire of Canon photocopier		4,918	0	0	4,918	3,686	0	0	3,686
Miscellaneous expenses		485	0	0	485	28	0	0	28
Pantry expenses		3,152	0	0	3,152	2,317	0	0	2,317
Postage and courier expenses		1,477	0	0	1,477	971	0	0	971
Printing		9,796	0	0	9,796	9,491	0	0	9,491
Professional fees		9,519	0	0	9,519	8,015	0	0	8,015
Programming – General expenses		543	0		543	0	0	0	0
Stationery		2,384	0	0	2,384	2,111	0	0	2,111
Telephone		14,375	0	0	14,375	6,561	0	0	6,561
Transport reimbursements		2,697	0	0	2,697	2,676	0	0	2,676
Non-claimable residual input tax		0	0	0	0	33,541	0	0	33,541
Balance carried forward		<u>103,573</u>	<u>0</u>	<u>0</u>	<u>103,573</u>	<u>114,208</u>	<u>0</u>	<u>0</u>	<u>114,208</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016
(CONT'D)**

	2016				2015			
Note	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Funds S\$	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total Funds S\$
EXPENDITURE (CONT'D)								
Governance and administrative costs (CONT'D)								
Balance bought forward	103,573	0	0	103,573	114,208	0	0	114,208
Bonus	407,720	0	0	407,720	228,769	0	0	228,769
CPF contribution	297,127	0	0	297,127	188,483	0	0	188,483
FWL	2,644	0	0	2,644	0	0	0	0
Hand phone	0	0	0	0	7,757	0	0	7,757
Medical expenses	12,957	0	0	12,957	9,356	0	0	9,356
Overtime	10,943	0	0	10,943	20,280	0	0	20,280
Salaries	1,553,445	0	0	1,553,445	1,042,449	0	0	1,042,449
SDL contribution	3,667	0	0	3,667	2,710	0	0	2,710
Secondment of staff	48,000	0	0	48,000	48,000	0	0	48,000
Staff recruitment	1,545	0	0	1,545	965	0	0	965
Staff training	13,569	0	0	13,569	1,388	0	0	1,388
Staff welfare	10,165	0	0	10,165	6,190	0	0	6,190
Temporary staff	34,235	0	0	34,235	26,066	0	0	26,066
	2,499,590	0	0	2,499,590	1,696,621	0	0	1,696,621
TOTAL EXPENDITURE	9,858,447	0	0	9,858,447	7,991,831	0	0	7,991,831
NET INCOME	1,785,896	0	0	1,785,896	4,006,564	0	0	4,006,564
TRANSFER DURING THE YEAR	(1,650,635)	(849,365)	2,500,000	0	0	0	0	0
TOTAL FUNDS BROUGHT FORWARD	11,747,024	849,365	2,500,000	15,096,389	7,740,460	849,365	2,500,000	11,089,825
TOTAL FUNDS CARRIED FORWARD	11,882,285	0	5,000,000	16,882,285	11,747,024	849,365	2,500,000	15,096,389

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	13,875,197	16,173,261
Trade and other receivables	7	<u>3,944,677</u>	<u>1,728,967</u>
		<u>17,819,874</u>	<u>17,902,228</u>
Non-current assets			
Property, plant and equipment	8	<u>3,968,934</u>	<u>2,213,923</u>
Total assets		<u>21,788,808</u>	<u>20,116,151</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	4,315,690	4,163,979
Deferred capital grants	10	<u>264,950</u>	<u>264,950</u>
		<u>4,580,640</u>	<u>4,428,929</u>
Non-current liabilities			
Deferred capital grants	10	<u>325,883</u>	<u>590,833</u>
Total liabilities		<u>4,906,523</u>	<u>5,019,762</u>
NET ASSETS		<u>16,882,285</u>	<u>15,096,389</u>
FUNDS			
Unrestricted funds			
General fund		11,882,285	11,747,024
Working capital grant	12	0	849,365
Sinking fund	13	<u>5,000,000</u>	<u>2,500,000</u>
		<u>16,882,285</u>	<u>15,096,389</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total funds S\$
2016				
Balance at beginning of financial year	11,747,024	849,365	2,500,000	15,096,389
Transfer during the financial year	(1,650,635)	(849,365)	2,500,000	0
Net income	1,785,896	0	0	1,785,896
Balance at end of financial year	<u>11,882,285</u>	<u>0</u>	<u>5,000,000</u>	<u>16,882,285</u>

	General Fund S\$	Working capital grant S\$	Sinking Fund S\$	Total funds S\$
2015				
Balance at beginning of financial year	7,740,460	849,365	2,500,000	11,089,825
Transfer during the year	0	0	0	0
Net income	4,006,564	0	0	4,006,564
Balance at end of financial year	<u>11,747,024</u>	<u>849,365</u>	<u>2,500,000</u>	<u>15,096,389</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income		1,785,896	4,006,564
Adjustments for:			
- Allowance for impairment of trade receivables	7	16,454	28,115
- Allowance for impairment of trade receivables no longer required	7	(73,403)	(111,871)
- Amortisation of deferred capital grant	10	(264,950)	(264,950)
- Impairment loss of trade receivables		4,712	199
- Interest income		(17,730)	(5,830)
- Depreciation	8	888,048	516,047
- Property, plant and equipment written off		86,570	11,383
Operating cash flow before working capital changes		2,425,597	4,179,657
Changes in operating assets and liabilities:			
- Trade and other receivables		(2,163,473)	(689,029)
- Trade and other payables		151,711	(471,715)
Net cash provided by operating activities		<u>413,835</u>	<u>3,018,913</u>
Cash flows from investing activities			
Interest received		17,730	5,830
Purchases of property, plant and equipment	8	(2,729,629)	(203,209)
Net cash used in investing activities		<u>(2,711,899)</u>	<u>(197,379)</u>
Net (decrease) / increase in cash and cash equivalents		(2,298,064)	2,821,534
Cash and cash equivalents at beginning of financial year		16,173,261	13,351,727
Cash and cash equivalents at end of financial year		<u>13,875,197</u>	<u>16,173,261</u>
Cash and cash equivalents comprise:			
Cash on hand		500	500
Cash at banks		7,135,078	11,945,929
Fixed deposits		6,739,619	4,226,832
	6	<u>13,875,197</u>	<u>16,173,261</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 2 Orchard Link #04-01 Singapore 237978.

The principal activities of the Company are to carry on the activities of promoting social responsibility among youths through activities, projects and related activities.

The Company is limited by guarantee and does not have a share capital. The members of the Company guarantee to contribute a sum not more than S\$1 each to the assets of the Company in the event of winding up. As at 31 March 2016, the Company has 2 members (2015: 2).

The Company was registered as a charity under the Charities Act (Chapter 37) since 22 November 2007. The Company has been accorded Institute of a Public Character ("IPC") status for the period from 21 December 2013 to 20 October 2016. The IPC registration number is IPC000581.

The Company is under the purview of Ministry of Culture, Community and Youth ("MCCY").

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"), the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

Certain new standards and amendments to FRSs have been issued and are relevant for the Company's accounting periods beginning on or after 1 April 2016 and which the Company has not early adopted. Management does not expect them to have any material impact on the Company's financial position or financial performance when adopted.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the goods and services rendered in the ordinary course of the Company's activities. Revenue is presented, net of goods and services tax, rebates and discounts, where applicable. Revenue is recognised as follows:

2.2.1 Grants/Funding

Government grants/funding are recognised at their fair value where there is reasonable assurance that the grants/funding will be received and all related conditions will be complied with.

Government grants/funding receivables are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants/funding relating to assets are recognised as deferred capital grant and is amortised over the stipulated period of operation stated in the funding agreement.

2.2.2 Donations

Donations are taken up and accrued as and when they are committed. 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.

2.2.3 Sponsorship

Sponsorship is recognised upon the signing of agreement by all parties and accepted by the sponsors.

2.2.4 Rental income

Rental income is recognised on a straight-line basis over the lease term.

2.2.5 Income from event collections

Income from event collections is recognised as earned when the event/show has been completed

2.2.6 Car park fees

Car park fees from tenants are recognised on accrual basis. Car park fees from non-tenants are recognised on receipt basis.

2.2.7 Ticket sales

For corporate customers, ticket sales are recognised upon the issuance of invoices. For non-corporate customers, ticket sales are recognised on receipt basis.

2.2.8 Interest income

Interest income on fixed deposits placed with banks is recognised on a time-proportion basis using the effective interest method.

2.2.9 Other income

Other income is recognised on receipt basis.

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

All items of property, 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 property, plant and equipment initially recognised includes its purchase price and any costs that are 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. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

2.3.2 Depreciation

Depreciation on property, 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 Life
Computer and equipment	3 years
Furniture & Fittings	3 years
Music studio equipment	5 years
Equipment	5 years
Renovation	2 to 7 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognized 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 Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.3.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.4 Impairment of non-financial assets

Property, plant and equipment 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.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables (excluding prepayment and vouchers)" and "cash and cash equivalents" on the statement of financial position.

2.5.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.5.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2. Significant accounting policies (Cont'd)

2.5 Financial assets (Cont'd)

2.5.4 Impairment

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 recognizes an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments is considered indicators that the receivable is impaired.

An allowance for impairment of receivables including trade and other receivables, are recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in statement of financial activities.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognized in prior periods.

2.6 Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.7 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, approximate their fair values due to their short-term nature.

2. Significant accounting policies (Cont'd)

2.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.9 Provisions

Provisions 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.

2.10 Employee compensation

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 contribution has been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

Employee leave entitlement

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

2.11 Foreign currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.12 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control of the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the reporting entity.

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

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

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include of cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty 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.

Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The carrying amounts of the Company's property plant and equipment at 31 March 2016 were S\$3,968,934 (2015: S\$2,213,923).

3. Critical accounting estimates, assumptions and judgements (Cont'd)

Critical judgments in applying the entity's accounting policies (Cont'd)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

Allowance for impairment of receivables

The Company reviews the adequacy of allowance for impairment of receivables periodically by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided. The carrying amounts of the Company's trade and other receivables as at 31 March 2016 were S\$3,944,677 (2015: S\$1,728,967).

4. Income tax

The Company is a charity registered under the Charities Act and is exempted from income tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

5. Tax deductible receipts

During the financial year, the Company issued tax-exempt receipts for donations received amounted to S\$1,735 (2015: S\$948).

6. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash on hand	500	500
Cash at banks	7,135,078	11,945,929
Fixed deposits with financial institutions	6,739,619	4,226,832
	<u>13,875,197</u>	<u>16,173,261</u>

The Company places majority of its refundable rental deposits collected from its tenants in fixed deposits.

Fixed deposits at the reporting date had an average maturity of 2.50 months (2015: 2.86 months) from that date and had a weighted average effective interest rate of 0.73% (2015: 0.21%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

7. Trade and other receivables

	2016 S\$	2015 S\$
Trade receivables	481,103	619,934
Less: Allowance for impairment of trade receivables	(129,593)	(202,679)
Net trade receivables	<u>351,510</u>	<u>417,255</u>
Other receivables		
- Advance payments	0	35,073
- Income receivables	11,166	6,777
- Deposits	479,595	460,525
- Prepayments	27,455	96,640
- Prepayment (vouchers)	821	0
- MCCY subvention receivable	1,217,342	167,129
- MCCY grant receivable	1,816,907	545,568
- Programming grant receivable(Nodes)	39,881	0
	<u>3,593,167</u>	<u>1,311,712</u>
Total	<u>3,944,677</u>	<u>1,728,967</u>

Movement of allowance for impairment of receivables:

Beginning of financial year	202,679	319,096
Allowance for impairment of trade receivables	16,454	28,115
Less: Writing off allowance for impairment of trade receivables	(16,137)	(32,661)
Less: Allowance for impairment of trade receivables no longer required	(73,403)	(111,871)
End of financial year	<u>129,593</u>	<u>202,679</u>

Trade receivables are bearing an interest rate of 1% per month (2015: 1% per month) are generally collected within 30 days' term (2015: 30 days' term).

The Company has unsecured trade receivables amounting to S\$447,475 (2015: S\$548,968) that was past settlement date at the reporting date of which the Company has provided for specific impairment allowance of S\$129,593 (2015: S\$202,679). The aging of the past due accounts receivables at the reporting date.

	2016		2015	
	Gross S\$	Allowance account for credit losses S\$	Gross S\$	Allowance account for credit losses S\$
Accounts receivables not past due:	<u>33,628</u>	<u>0</u>	<u>70,966</u>	<u>0</u>
Accounts receivables past due:				
1 to 30 days	121,436	0	134,758	0
31 to 60 days	47,128	0	47,761	0
61 to 90 days	31,249	0	22,911	0
More than 90 days	<u>247,662</u>	<u>129,593</u>	<u>343,538</u>	<u>202,679</u>
	<u>447,475</u>	<u>129,593</u>	<u>548,968</u>	<u>202,679</u>
	<u>481,103</u>	<u>129,593</u>	<u>619,934</u>	<u>202,679</u>

7. Trade and other receivables (Cont'd)

At the reporting date, the carrying amounts of trade and other receivables approximated their fair value.

8. Property, plant and equipment

	Computer & office equipment S\$	Furniture and fittings S\$	Music Studio equipment S\$	Renovation S\$	Total S\$
2016					
Cost					
Beginning of financial year	682,220	134,690	106,933	3,147,043	4,070,886
Additions	213,743	85,861	4,500	2,425,525	2,729,629
Written off	(47,235)	(40,844)	0	(135,605)	(223,684)
End of financial year	848,728	179,707	111,433	5,436,963	6,576,831
Accumulated depreciation					
Beginning of financial year	603,871	116,291	45,627	1,091,174	1,856,963
Depreciation charge	50,658	29,496	15,902	791,992	888,048
Written off	(46,635)	(40,654)	0	(49,825)	(137,114)
End of financial year	607,894	105,133	61,529	1,833,341	2,607,897
Net book value at end of financial year	240,834	74,574	49,904	3,603,622	3,968,934
2015					
Cost					
Beginning of financial year	691,459	120,156	104,055	3,093,189	4,008,859
Additions	56,242	17,105	51,333	78,529	203,209
Written off	(65,481)	(2,571)	(48,455)	(24,675)	(141,182)
End of financial year	682,220	134,690	106,933	3,147,043	4,070,886
Accumulated depreciation					
Beginning of financial year	622,245	114,292	73,824	659,419	1,469,780
Depreciation charge	47,018	4,570	17,570	446,889	516,047
Written off	(65,392)	(2,571)	(45,767)	(15,134)	(128,864)
End of financial year	603,871	116,291	45,627	1,091,174	1,856,963
Net book value at end of financial year	78,349	18,399	61,306	2,055,869	2,213,923

9. Trade and other payables

	2016 S\$	2015 S\$
Accrued operating expenses	1,087,053	508,778
Advance rent collected	23,200	8,173
Advance received	6,637	6,786
Advances received for venue sales	73,474	98,564
GST payables	27,429	52,425
Refundable deposits	(a) 1,887,185	1,874,969
Rental payable to MCCY	(b) 1,210,712	1,614,284
	<u>4,315,690</u>	<u>4,163,979</u>

9. Trade and other payables (Cont'd)

- (a) The Company rented out units at 2 Orchard Link, Singapore 237978 to third parties and collected rental deposits. These deposits are refundable at the expiry of the rental period and compliance of certain conditions stated in the rental agreements. The refundable deposits comprised:

	2016 S\$	2015 S\$
Event deposits	82,569	62,169
Fitting out deposits	75,500	79,438
Rental deposits	<u>1,729,116</u>	<u>1,733,362</u>
	<u>1,887,185</u>	<u>1,874,969</u>

- (b) Since August 2013, the monthly rental payable to MCCY before subvention was S\$388,225. MCCY had arranged for repayment of the outstanding rental payable via instalments of S\$33,631 per month commencing from April 2012 and the Company has the discretion to settle early.

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

10. Deferred capital grants

	Capital Expenditure Grant S\$	Fitting Out Grant S\$	Total S\$
2016			
Cost			
Beginning and end of financial year	854,649	1,000,000	1,854,649
Accumulated amortisation			
Beginning of financial year	(286,584)	(712,282)	(998,866)
Amortisation for the year	(122,093)	(142,857)	(264,950)
End of financial year	(408,677)	(855,139)	(1,263,816)
Net carrying amount at end of the financial year			
Current	122,093	142,857	264,950
Non-current	323,879	2,004	325,883
	<u>445,972</u>	<u>144,861</u>	<u>590,833</u>
2015			
Cost			
Beginning and end of financial year	854,649	1,000,000	1,854,649
Accumulated amortisation			
Beginning of financial year	(164,491)	(569,425)	(733,916)
Amortisation for the year	(122,093)	(142,857)	(264,950)
End of financial year	(286,584)	(712,282)	(998,866)
Net carrying amount at end of the financial year			
Current	122,093	142,857	264,950
Non-current	445,972	144,861	590,833
	<u>568,065</u>	<u>287,718</u>	<u>855,783</u>

Fitting out grant represents grant received for fitting out the *SCAPE building.

On year 2014, the Company received Capital Expenditure Grant from MCCY for toilet repair and maintenance. This grant covered fitting out cost, consultancy and submission fees.

11. Expenditure grant

On 1 October 2012, the Company entered into an agreement with the Government, c/o MCCY. The government shall provide the Company with a 35% expenditure grant on approved expenditure, capped at a maximum of S\$12,650,000 for the period from 1 October 2012 to 30 September 2015, subject to the terms and conditions set out in the agreement.

Subsequent to 30 September 2015, the Company has renewed its agreement with MCCY. MCCY has agreed to provide 35% expenditure grant on approved expenditure, capping at S\$2,640,000 for the period from 1 October 2015 to 31 March 2016 and S\$4,500,000 for the period from 1 April 2016 to 31 March 2017, respectively.

The Company will be required to return 50% of any excess funds over and above a 6-month reserve fund to MCCY on an annual basis, at the end of the financial year. This is subject to the Company having working capital exceeding the 6-month reserve consistently for the preceding 6-months. These funds will either be routed back to MCCY or be set-off from subsequent expenditure grants provided to the Company.

As at year end, the Management is of the opinion that no provision for any excess is necessary at this juncture.

12. Working capital grant

Working capital grants are for the purpose of meeting recurrent operating expenses and related events expenses. On 25 June 2015, the board of directors approved the transfer of remaining balance of S\$849,365 to the Sinking Fund, as disclosed in note 13.

13. Sinking Fund

On 6 March 2014, the Company's board of directors had approved the setting up of a sinking fund for infrastructural and capability development with initial sum of \$2.5 million plus subsequent annual percentage contribution.

On 25 June 2015, the Company's board of directors had transferred another S\$2.5 million into sinking fund.

	Note	2016 S\$	2015 S\$
Balance brought forward		<u>2,500,000</u>	<u>2,500,000</u>
Transferred from			
- Working capital grant	12	849,365	0
- General fund		<u>1,650,635</u>	<u>0</u>
		<u>2,500,000</u>	<u>0</u>
Balance carried forward		<u>5,000,000</u>	<u>2,500,000</u>

14. Key management personnel compensation

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel for the reporting period is the Executive Director.

14. Key management personnel compensation (Cont'd)

Remuneration band (S\$)	2016 No. of personnel	2015 No. of personnel
Below S\$50,000	<u>1</u>	<u>1</u>

Other than above, the directors are volunteers and neither they nor any immediate member of their families received any compensation or remuneration from the Company during the financial year.

15. Commitments

Operating lease commitments – where the Company is the lessee

The Company leases the *SCAPE building from MCCY (formerly MCYS). The Company was committed to making the following lease rental payments under non-cancellable operating leases for *SCAPE building (which it manages) and equipment for more than one year.

The future minimum lease payments under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2016 S\$	2015 S\$
Not later than one year		
*SCAPE building	4,536,900	4,658,700
Photocopier	<u>3,588</u>	<u>3,588</u>
	<u>4,540,488</u>	<u>4,662,288</u>
More than a year but not more than five years		
*SCAPE building	10,444,000	1,552,900
Photocopier	<u>2,312</u>	<u>5,980</u>
	<u>10,446,312</u>	<u>1,558,880</u>

The lease on *SCAPE building expires on 31 July 2016, subject to an option to renew twice and each renewal period shall not exceed 3 years, and the current rent payable on the lease is S\$388,225 per month which are subject to revision on renewal. On 28 July 2016, the Company renews the lease on *SCAPE building for a period of 3 years. The future minimum lease payments under non-cancellable operating leases relating to the renewal have been included in the above.

Operating lease commitments – where the Company is the lessor

The Company leases out the *SCAPE building. As at the reporting date, the Company was committed to making the following lease rental receivables under non-cancellable operating leases for *SCAPE building (which it manages).

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date but not recognised as assets, are as follows:

	2016 S\$	2015 S\$
Not later than one year	3,277,097	4,846,341
More than a year but not more than five years	<u>1,420,461</u>	<u>1,940,361</u>
	<u>4,697,558</u>	<u>6,786,702</u>

Certain leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

15. Commitments (Cont'd)

Capital commitments

As at the end of the financial year, commitments in respect of capital expenditure are as follows:

	2016 S\$	2015 S\$
Capital expenditure contracted but not provided for commitments for the acquisition of property, plant and equipment	0	1,861,200

16. Financial risk management and instruments

The Company's key financial risks include credit risk, liquidity risk and market risk. Risk management is carried out under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

Categories of financial instruments

Financial instruments as at 31 March are as follows:

	2016 S\$	2015 S\$
Financial assets		
Cash and cash equivalents	13,875,197	16,173,261
Trade and other receivables (excluded advances and prepayment)	3,916,401	1,597,254
	<u>17,791,598</u>	<u>17,770,515</u>
Financial liabilities		
Trade and other payables	<u>4,184,950</u>	<u>3,998,031</u>

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a client or counterparty to settle their financial and contractual obligations to the Company, as and when they fall due.

The Company's exposure to credit risk arises primarily from cash and cash equivalents and trade and other receivables. Cash at bank and fixed deposits are held with reputable financial institutions of good standing. The receivables presented in the statement of financial position are net of allowance for impairment of receivables, if any, estimated by the Company's management based on prior experience and the current economic environment.

The Company manages the credit risk by monitoring credit worthiness and collections from its tenants. It ensures that the tenants have adequate financial standing, appropriate credit history and collects rental deposits before leasing out units. With this credit evaluation processes, credit control policies and collection procedures in place, the credit risk is mitigated substantially.

16. Financial risk management and instruments (Cont'd)

(i) Credit risk (Cont'd)

The maximum exposure to credit risk is as follows:

	2016 S\$	2015 S\$
Financial assets		
Cash and cash equivalents	13,875,197	16,173,261
Trade and other receivables (excluded advances and prepayment)	3,916,401	1,597,254
	<u>17,791,598</u>	<u>17,770,515</u>

As at the financial year-end, the Company's significant concentration of credit risk is disclosed in Note 7. The Directors are of the opinion that the balances are recoverable.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by matching the payment and receipt cycle and maintaining a level of cash and cash equivalents deemed adequate by the management to finance its on-going financial liabilities on a regular basis.

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

	Less than 1 year S\$	Between 2 to 5 years S\$	Total S\$
2016			
Trade and other payables	<u>3,377,810</u>	<u>807,140</u>	<u>4,184,950</u>
2015			
Trade and other payables	<u>2,787,319</u>	<u>1,210,712</u>	<u>3,998,031</u>

The Company maintains a sufficient level of cash and has made adequate funding arrangement from the Government and related agencies.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return of risk.

Foreign currency risk

The Company has no exposure to foreign currency risk as its transactions, assets and liabilities are substantially denominated in Singapore dollars.

16. Financial risk management and instruments (Cont'd)

Interest rate risk

The Company's exposure to changes in interest rates primarily to fixed deposits and bank balances with financial institutions. Any future variations in market interest rates will not have a material impact on the results of the Company since interest on fixed deposits and bank balances are not significant. The Company does not have any interest-bearing financial liabilities.

(iv) Fair value

As at 31 March 2016, the carrying amounts of all financial assets and liabilities approximated their fair values. The Company does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the values that would eventually be received or settled.

17. Capital management policy

The Company's objectives when managing capital, which remains unchanged from the previous year, are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure.

Management monitors capital based on a gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total trade and other payables while capital is calculated as unrestricted funds.

	2016 S\$	2015 S\$
Trade and other payables	4,315,690	4,163,979
Unrestricted funds	<u>16,882,285</u>	<u>15,096,389</u>
	<u>21,197,975</u>	<u>19,260,368</u>
Gearing ratio	<u>20%</u>	<u>22%</u>

The Company is not subject to any externally imposed capital requirements for the financial year ended 31 March 2016 and 2015.

18. Reserve policy

As at 31 March 2016, the Company has unrestricted funds totalling S\$16,882,795 (2015: S\$15,096,389). The Company intends to maintain its reserve at 2 years (2015: 6 months) expenditure for its operational needs.

The Management reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Company's continuing obligations annually. Beyond the annual review, the Management will alert the Finance Subcommittee and put in place a mechanism to flag to the Board if reserves are drawn down or have gone below a certain level.

19. Management of conflict of interest

If the Director of the Company is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Company or any sub-committee thereof, at which the contract or other matter is the subject of consideration, the Director shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration or discussion of, and shall not vote on, any question with respect to that contract or other matter.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on **20 SEP 2016**