

THE TENG ENSEMBLE LTD

(Incorporated in Singapore)

UEN: 201502077Z

Financial Statements for the Financial Year Ended 31 March 2018

HMS ASSURANCE

Public Accountants and Chartered Accountants

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Singapore 408938

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The Directors are pleased to present their statement to the members together with the audited financial statements of The Teng Ensemble Ltd for the financial year ended 31 March 2018.

Opinion of the Directors

In our opinion,

- (i) the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018 and the results, changes in funds and cash flows of the Company for the year then ended, and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Zhang Rengui Gerald
Samuel Wong Shengmiao
Yang Ji Wei
Lee Kwok Cheong
Daniel Seah Chin Aun
Marie Elaine Teo
Tham Chee Soon (Appointed on 1 February 2018)
Teo Kah Chee, Rachel (Appointed on 1 February 2018)
Wong Su Yen (Appointed on 19 February 2018)

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of the financial year nor at any time during the year did there subsist any arrangement whose object is to enable the director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or other body corporate.

Directors' Interest in Shares or Debentures

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

Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, other than those disclosed in the financial statements.

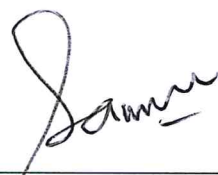
Options

No option to take up unissued shares of the Company was granted during the financial year. There were no shares issued during the year by virtue of the exercise of options to take up unissued shares of the Company whether granted before or during the financial year. There were no unissued shares of the Company under option as at the end of the financial year.

Independent Auditors

HMS ASSURANCE have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,



SAMUEL WONG SHENGMIAO
Director



YANG JI WEI
Director

Singapore



10 SEP 2018

THE TENG ENSEMBLE LTD



HMS ASSURANCE

Public Accountants & Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TENG ENSEMBLE LTD UEN: 201502077Z

REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **THE TENG ENSEMBLE LTD** ("the Company"), which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Funds and Statement of Cash Flows of the Company for the year ended **31 March 2018**, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, the Charities Act (the "Acts"), other relevant regulations and the Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of the state of affairs of the Company as at 31 March 2018, and of the results, changes in 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' Statement set out on Pages 2 and 3.

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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RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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.

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

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

AUDITORS' RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.



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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

HMS ASSURANCE

HMS ASSURANCE
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

10 SEP 2018

	Notes	31 March 2018 S\$	31 March 2017 S\$
Income	6	1,215,754	810,319
Less: Expenses			
Depreciation	8	9,870	2,573
Employment expenses		421,820	355,190
Gifts & Entertainment		27,155	18,320
Musician fees		186,165	150,300
Other operating expenses		62,216	47,156
Professional fees		149,159	148,228
Project fees		-	1,700
Rental		59,074	11,403
Travelling & Transport		32,949	3,724
Videographer expenses		29,462	74,360
Workshops & training		2,992	281
Total Expenses		<u>980,862</u>	<u>813,235</u>
Profit/(Loss) before Taxation		234,892	(2,916)
Taxation	7	-	-
Profit/(Loss) after Taxation		<u>234,892</u>	<u>(2,916)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss)		<u><u>234,892</u></u>	<u><u>(2,916)</u></u>

The annexed notes form an integral part of the Audited Financial Statements.

	Notes	31 March 2018 S\$	31 March 2017 S\$
ASSETS			
Non-Current Assets			
Plant and Equipment	8	38,595	7,351
Current Assets			
Trade and Other Receivables	9	23,325	19,155
Cash And Cash Equivalents	10	1,062,628	848,493
Total Current Assets		1,085,953	867,648
Total Assets		1,124,548	874,999
Current Liabilities			
Other Payables and Accruals	11	27,080	12,423
Net Current Assets		1,058,873	855,225
Net Assets		1,097,468	862,576
Funds			
Accumulated Funds		1,097,468	862,576

The annexed notes form an integral part of the Audited Financial Statements.

	Accumulated Funds
	<u>S\$</u>
Balance at 31 March 2016	865,492
Total Comprehensive (Loss)	(2,916)
Balance at 31 March 2017	862,576
Total Comprehensive Income	234,892
Balance at 31 March 2018	<u>1,097,468</u>

The annexed notes form an integral part of the Audited Financial Statements.

		31 March 2018	31 March 2017
	Note	S\$	S\$
Cash flows from Operating Activities			
Profit/(Loss) before Taxation		234,892	(2,916)
Adjustments:			
Depreciation	8	9,870	2,573
Operating Cash flows before Working Capital Changes		<u>244,762</u>	<u>(343)</u>
Working Capital Changes			
(Increase) in Trade & Other Receivables		(4,170)	(275)
Increase in Other Payables & Accruals		14,657	7,233
Cash Generated From Operating Activities		<u>255,249</u>	<u>6,615</u>
Tax paid		-	-
Net Cash flows Generated From Operating Activities		<u>255,249</u>	<u>6,615</u>
Cash flows from Investing Activities			
Purchase of Plant & Equipment	8	(41,114)	-
Net Cash flows Used In Investing Activities		<u>(41,114)</u>	<u>-</u>
Net Changes in Cash and Cash equivalents			
Cash and Cash Equivalents at beginning of financial period		214,135	6,615
Net Cash and Cash Equivalents at end of financial period	10	<u>848,493</u>	<u>841,878</u>
		<u>1,062,628</u>	<u>848,493</u>

The annexed notes form an integral part of the Audited Financial Statements.

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

1. Corporate Information

The financial statements of the Company incorporated in Singapore, for the financial period ended 31 March 2018 were authorized for issue in accordance with a resolution of the directors on the date of this set of financial statements.

The registered office and principal place of operations of the Company is located at 1 Selegie Road #05-01/02 POMO, Singapore 188306.

The principal activities of the Company are those of arts consultancy including performance arts and conducting musical performances.

The Company has been registered as a Charity with effect from 9 September 2015. With effect from 1 December 2017, the Company has been approved as an Institution of Public Character ("IPC") for a period of 1 year.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act and the Charities Act.

The financial statements of the Company are prepared in accordance with historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The accounting policies have been consistently applied by the Company.

(b) Related Party

A party is considered to be related to the Company if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- (b) The party is an associated company;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Group or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

2. Significant Accounting Policies – continued

(b) Related Party - continued

Key Management Personnel

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

(c) Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

(d) Financial Instruments

Financial assets and financial liabilities are recognized when contracted for.

(e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Management's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognized.

Sales of Goods - Revenue is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer.

Grant - Grants are recognised upon receipt.

Commercial performances – Revenue from services is recognised when the services are rendered.

(g) Employee Benefits

Pension Obligations

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Company's contributions to CPF are charged to the Statement of Comprehensive Income in the period to which the contributions relate.

Employee Leave Entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the Statement of Financial Position date.

(h) Financial Assets

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

2. Significant Accounting Policies – continued

(h) Financial Assets – continued

All financial assets are recognized on their trade date – the date on which the Company commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognized at fair value, plus transaction costs. Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Assessment for impairment is undertaken at least at each Statement of Financial Position date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in Statement of Comprehensive Income. Any reversal shall not result in a carrying amount that exceeds what the amortized cost would have been had any impairment loss not been recognized at the date of the impairment is reversed. Any reversal is recognized in the Statement of Comprehensive Income.

Receivables are provided against when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include trade and non-trade balances with third parties.

Trade Receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(i) Income Taxes

As a Charity, the Company is exempt from tax on income and gains falling within Section 13U (1) of the Income Tax Act to the extent that these are applied to its charitable objects.

2. Significant Accounting Policies - continued

(j) Financial Liabilities

The Company's financial liabilities include trade and other payables.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognized as an expense in "finance costs" in the Statement of Comprehensive Income.

Borrowings are recognized initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortized cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit and loss over the period of borrowings using effective interest method.

Borrowings which are due to be settled within twelve months after the Statement of Financial Position date are in current borrowings in the Statement of Financial Position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the Statement of Financial Position date. Borrowings to be settled within the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the Statement of Financial Position date are included in the non-current borrowings in the Statement of Financial Position.

Equity instruments issued by the Company, if any, are recorded at the proceeds received, net of direct issue costs. Trade and other payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest method.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Comprehensive Income.

(k) Functional Currency and Foreign Currency Transaction

Functional Currency

Items included in the financial statements in the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Company are presented in Singapore dollars ("SGD"), which is the functional currency.

Foreign Currency Transaction

Transactions in foreign currencies are measured in SGD and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at Statement of Financial Position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognized in the Statement of Comprehensive Income.

2. Significant Accounting Policies – continued

(l) Impairment of Assets

The carrying amounts of the Company's assets subject to impairment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Any impairment loss is charged to the profit and loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

A reversal of an impairment loss on a revalued asset is credited directly to funds under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the Statement of Comprehensive Income, a reversal of that impairment loss is recognized as income in the Statement of Comprehensive Income.

(m) Plant and Equipment

The cost of plant and equipment comprises its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from funds of any gains/ losses on qualifying cash flows hedges of foreign currency purchases of plant and equipment, if any.

Subsequent expenditure relating to the plant and equipment that has already been recognized is added to the carrying amount of the plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing plant and equipment, will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the financial period in which it is incurred. When plant and equipment are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the Statement of Comprehensive Income.

2. Significant Accounting Policies – continued

(m) Plant and Equipment - continued

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

Musical instrument	3-5 years
Computers	3 years

The residual values, if any, and useful lives of plant and equipment are reviewed and adjusted as appropriate at each Statement of Financial Position date. The useful lives and depreciation method are reviewed at each financial period-end to ensure that the method and financial period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of plant and equipment. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset

Increases in carrying amounts arising from revaluation, including currency translation differences are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

(n) 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 lease.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Contingent rentals are recognized as expenses in the periods in which they are incurred. 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 recognized as an expense in the period in which they are incurred.

3. **Critical Accounting Estimates, Assumptions and Judgments**

Estimates, assumptions and judgments 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 Accounting Estimates and Assumptions

Impairment of Loans and Receivables

Management reviews its loans and receivables for objective evidence of impairment annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, Management has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, Management has made judgments as to whether an impairment loss should be recorded as an expense. In determining this, Management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the useful economic lives and the residual values, if any, of these assets; therefore future depreciation charges could be revised.

Impairment of Plant and Equipment

The Management determines whether plant and equipment are impaired at least on an annual basis. This requires an estimation of the expected future cash flows from the plant and equipment.

4. New Accounting Standards and Interpretations Adopted

The Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations, which becomes effective for the financial periods beginning on or after 1 April 2017. Changes to the Company's accounting policies, if any, 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.

The following are the FRSs, INT FRSs and amendments to FRS:

Amendments to:

- FRS 7 Statement of cash flows (Disclosure initiative)
- FRS 12 Income Taxes (Recognition of deferred tax assets for unrealised losses)

Annual improvements 2016

- FRS 112 Disclosure of Interests in Other Entities (Clarification of the scope of the Standard)

5. New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 April 2017 have not been applied in preparing these financial statements. The Management expects that the adoption of the standards will have no material impact on the financial statements in the period of initial application. At the date of authorization of these financial statements, the following FRSs, INT FRSs and amendments to FRS, were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 Jan 2018
Amendments to: FRS 115 Revenue from Contract with Customers (Clarifications of guidance); FRS 102 Share-based Payment (Classification and measurement of share-based payment transactions); FRS 40 Investment Property (Transfer of investment property); FRS 104 Insurance Contracts (Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts)	1 Jan 2018
Annual Improvements 2016: FRS 28 Investments in Associates and Joint Ventures (Measuring an associate or joint venture at fair value); FRS 101 First-time Adoption of Financial Reporting Standards (Definition of short-term exemptions for first-time adopters)	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 110 Consolidated Financial Statements & FRS 28 Investment in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	To be determined

6. Income

	31 March 2018 S\$	31 March 2017 S\$
Commercial performances	145,047	143,975
Income – CD Sales	2,896	-
Income – Examination Fee	139,329	-
Income – Sales Score Book	8,023	-
Donations and Grants	920,459	666,344
	<u>1,215,754</u>	<u>810,319</u>

7. Taxation

As a Charity, the Company is exempt from tax on income and gains falling within Section 13U (1) of the Income Tax Act to the extent that these are applied to its charitable objects.

8. Plant and Equipment

	Musical Instruments S\$	Computers S\$	Total S\$
COST			
At 31 March 2016 and 31 March 2017	12,002	-	12,002
Additions	31,590	9,524	41,114
At 31 March 2018	<u>43,592</u>	<u>9,524</u>	<u>53,116</u>
Accumulated Depreciation			
At 31 March 2016	2,078	-	2,078
Charge for the financial period	2,573	-	2,573
At 31 March 2017	<u>4,651</u>	<u>-</u>	<u>4,651</u>
Charge for the financial period	7,317	2,553	9,870
At 31 March 2018	<u>11,968</u>	<u>2,553</u>	<u>14,521</u>
Net Book Value			
At 31 March 2017	<u>7,351</u>	<u>-</u>	<u>7,351</u>
At 31 March 2018	<u>31,624</u>	<u>6,971</u>	<u>38,595</u>

9. Trade & Other Receivables

	31 March 2018	31 March 2017
	S\$	S\$
Trade Receivables	4,261	14,739
Trade Receivables – Examination Grading	511	-
Prepayments and Deposits	18,553	4,416
	<u>23,325</u>	<u>19,155</u>

Trade Receivables are denominated in Singapore Dollars. The credit period for trade receivables is between 0 – 30 days. No interest is charged on the trade receivables.

10. Cash and Cash Equivalents

	31 March 2018	31 March 2017
	S\$	S\$
Cash and Cash Equivalents comprises:		
Cash at Bank	<u>1,062,628</u>	<u>848,493</u>

Cash and cash equivalents are denominated in Singapore Dollars.

11. Other Payables and Accruals

	31 March 2018	31 March 2017
	S\$	S\$
Accruals	16,116	4,042
CPF Payable	10,964	8,381
	<u>27,080</u>	<u>12,423</u>

12. Financial Risk Management

The main risks arising from the Company's financial instruments are summarised as follows:

Liquidity Risk

Liquidity risk arises in the general funding of the Company's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate assets in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the members.

The following table presents the maturity profiles of the financial liabilities:

	On Demand or within 1 year S\$
31 March 2017	
Other Payables and Accruals	<u>12,423</u>
31 March 2018	
Other Payables and Accruals	<u>27,080</u>

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

There are no trade receivables past due but not impaired as at the financial year end. As at year end, the Company has no significant concentration of credit risk.

13. Financial Instruments

(a) Fair Values

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Company does not anticipate that the carrying amounts recorded at Statement of Financial Position date would be significantly different from the values that would eventually be received or settled.

(b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting period:

	Loans and Receivables S\$	Liabilities at Amortized Cost S\$	Non- Financial Assets S\$	Total S\$
31 March 2017				
Assets				
Plant and Equipment	-	-	7,351	7,351
Trade and Other Receivables	14,739	-	4,416	19,155
Cash and Cash Equivalents	<u>848,493</u>	<u>-</u>	<u>-</u>	<u>848,493</u>
Liabilities				
Other Payables and Accruals	<u>-</u>	<u>12,423</u>	<u>-</u>	<u>12,423</u>
31 March 2018				
Assets				
Plant and Equipment	-	-	38,595	38,595
Trade and Other Receivables	4,772	-	18,553	23,325
Cash and Cash Equivalents	<u>1,062,628</u>	<u>-</u>	<u>-</u>	<u>1,062,628</u>
Liabilities				
Other Payables and Accruals	<u>-</u>	<u>27,080</u>	<u>-</u>	<u>27,080</u>

14. Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize its value.

In order to maintain or achieve an optimal capital structure, the Company may adjust obtain new borrowings, obtain capital contributions from members or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. The Management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes during the year.

The Management monitors capital risk using a gearing ratio. The gearing ratio is calculated as debt divided by total capital. Debt comprises of other payables and accruals. Total capital is calculated as total Funds plus debt. The gearing ratio is as follows:

	31 March 2018	31 March 2017
	S\$	S\$
Debt	27,080	12,423
Total Funds	1,097,468	862,576
Total Capital	<u>1,124,548</u>	<u>874,999</u>
Gearing Ratio	<u>2.4%</u>	<u>1.4%</u>

15. Related Party Transactions

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

	31 March 2018	31 March 2017
	S\$	S\$
Key Management Remuneration		
Salaries, wages and other short-term benefits	195,350	215,615
CPF contributions	<u>21,832</u>	<u>27,625</u>

16. Accumulated Fund

Income and expenditure relating to the main activities of the Company are accounted for through the Statement of Comprehensive Income and the net income is transferred to Accumulated Fund.

17. Tax-Exempt Receipts

With effect from 1 December 2017, up to 1 year, the Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Company. The Company issued tax-exempt receipts for donations collected for the year ended 31 March 2018, amounting to S\$463,500.