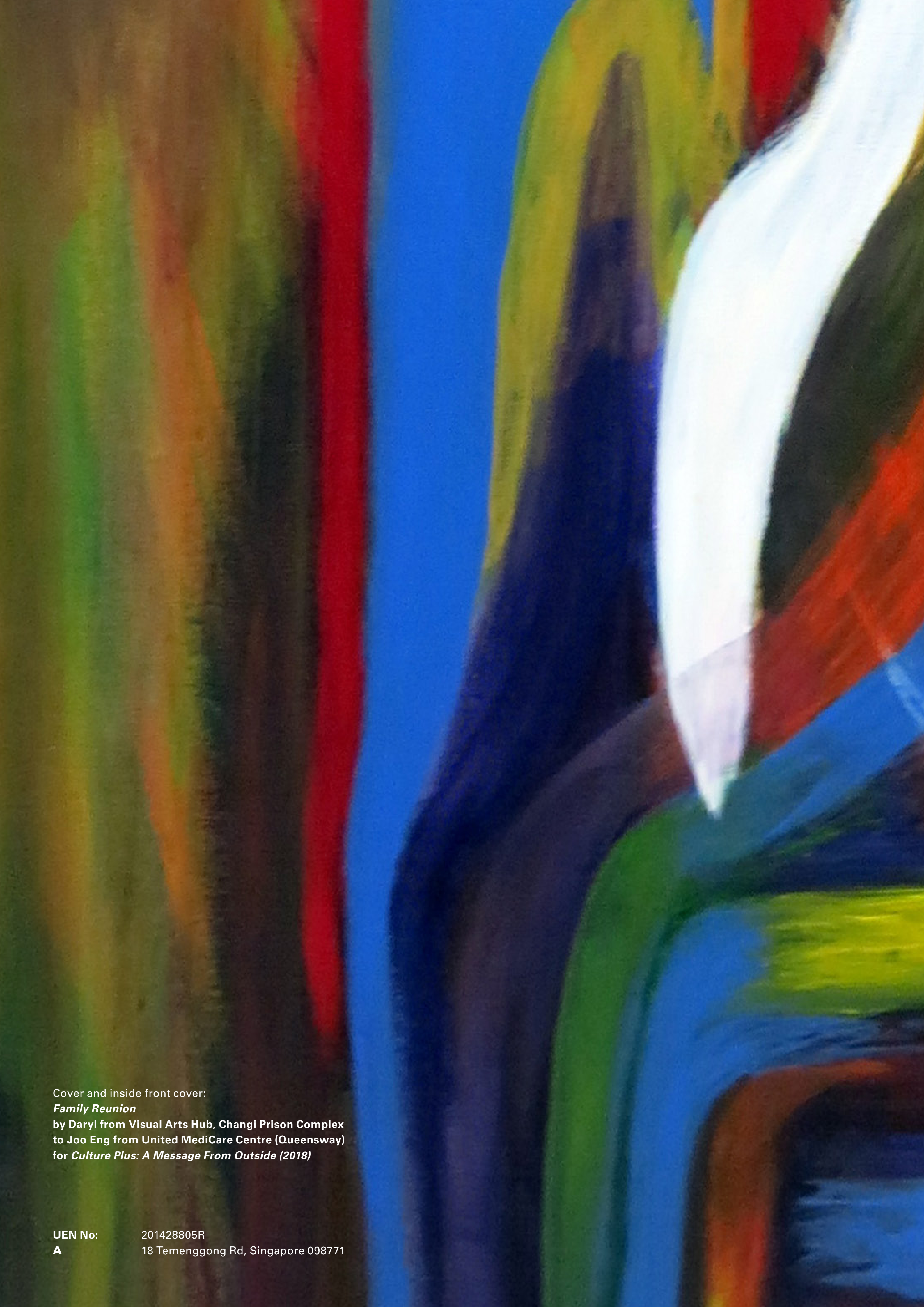
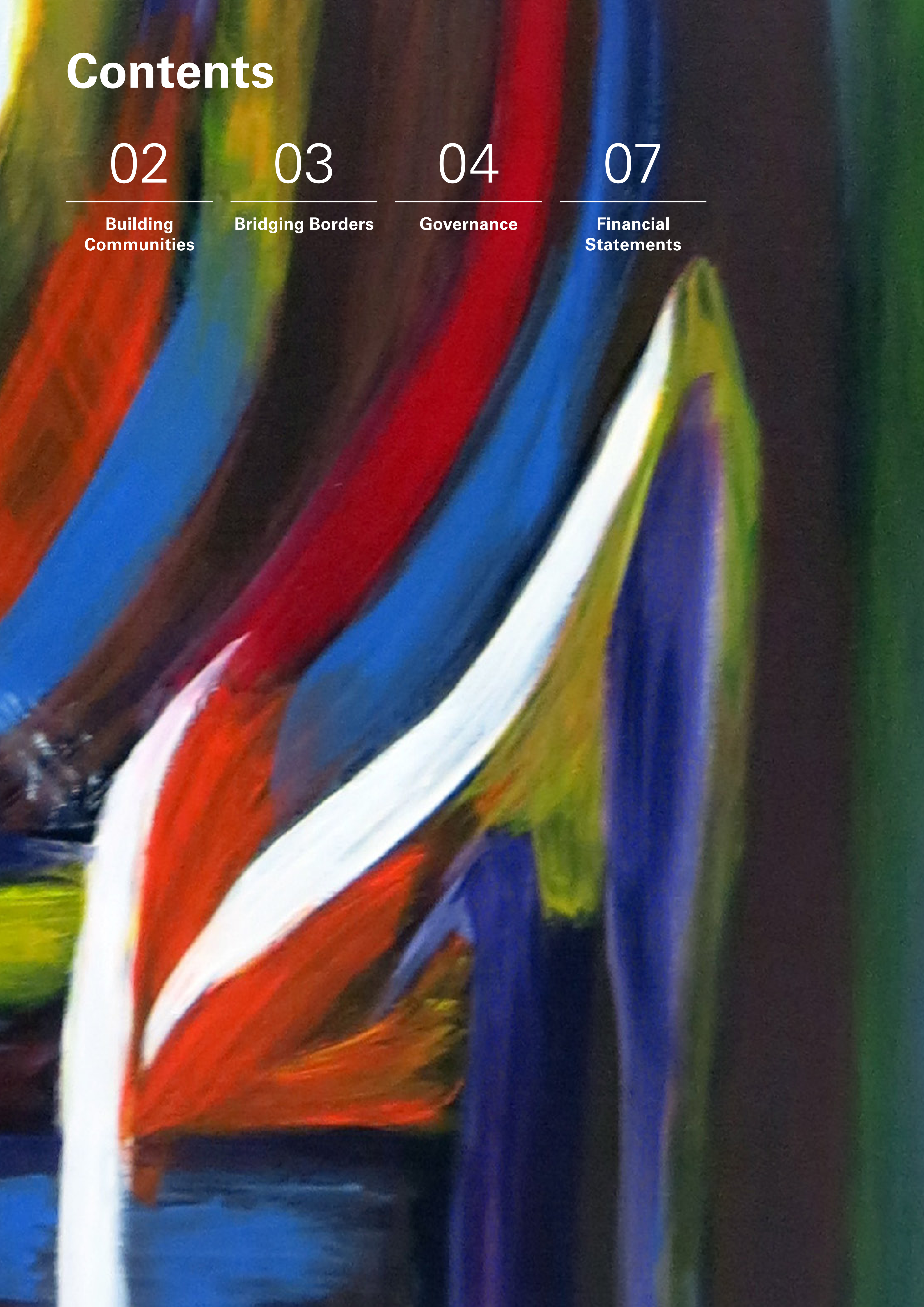
global cultural alliance

ANNUAL REPORT FY2018



Cover and inside front cover:
Family Reunion
by Daryl from Visual Arts Hub, Changi Prison Complex to Joo Eng from United MediCare Centre (Queensway) for *Culture Plus: A Message From Outside (2018)*

UEN No: 201428805R
A 18 Temenggong Rd, Singapore 098771



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Global Cultural Alliance Limited

Mission:

Bridging Borders · Building Communities

Founded in 2014, Global Cultural Alliance Ltd (GCA) is a not-for-profit organisation which focuses on building communities and bridging borders. GCA is committed to developing an inclusive Singapore society through arts and culture programmes and positioning Singapore as a cultural hub for the exchange of ideas and shared experiences. Founded in 2014, GCA is a wholly-owned subsidiary of The RICE Company Ltd.

Activities Highlights

Building Communities

A Message from Outside

GCA collaborated with the Yellow Ribbon Project and United Medicare Centre, Queensway (UMCQ) on this exhibition that featured works by five inmate-artists from Visual Arts Hub of Changi Prison Complex and nine elderly residents from UMCQ. Facilitated by artist Sun Yu-Li, the participants conversed with each other using visual journals. The final artworks were later animated through Augmented Reality created by five other inmates. The final artworks were exhibited in Temenggong 18/20 and The Star Vista.

Legacy: The Musical Journey of Nona Asiah

GCA managed this documentation project comprising the production of a CD and video documentary highlighting the legacy of 2016 Cultural Medallion recipient for Music, Nona Asiah. The CD features performances from Najip Ali, Hazrul Nizam, Rilla Melati, Syah Rizuan and the beneficiaries of The Business Times Budding Artists Fund. The CD, documentary and CD booklet documented her contributions to the Malay music and film industry.

Sunburst - Fundraising Concert

For a second consecutive year, GCA served as producer of this annual fundraising concert in aid of Muscular Dystrophy Association, Singapore (MDAS) and the School of The Arts Student Assistance Fund. The 90-minute concert featured inspirational performances inspired by personal stories of strength and resilience. The performers included wheelchair-bound Julie Chong and dance partner Andy Ang, hearing-impaired pianist Dr Azariah Tan, and other collaborative performances by SOTA students and members/alumni of MDAS. The concert was organized by The Business Times and graced by Speaker of Parliament of Singapore, Mr Tan Chuan-Jin.

Activities Highlights

Bridging Borders

imagin.Asia Concert

Produced by GCA, the inaugural imagin.Asia concert was a platform which connected 60 young talents under 25 years old from China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Nepal, Philippines, Thailand, Vietnam, and Singapore. The youths were chosen for championing social causes through the arts as a medium; or for sustaining artistic or cultural tradition. The concert was supported by the National Youth Council and The Arts Fund.

ONE VO1CE: The Best of ASEAN Performing Arts 2018

Produced by GCA, ONE VO1CE: The Best of ASEAN Performing Arts 2018 was a showcase of top music talents from across the 10 ASEAN countries. In conjunction with Singapore's ASEAN Chairmanship, GCA, alongside music and creative director Philip Tan produced a 90-minute concert that showcased the rich and diverse cultural tapestry of Southeast Asia. Highlights included four collaborative acts that fused the musical traditions of the various countries of ASEAN. The concert was organised by the National Arts Council and supported by the Ministry of Culture, Community and Youth.

Governance

Code of Governance Evaluation Checklist for the Year Ended 31 March 2019

S/No.	Code guideline	Code ID	Compliance	Explanation (if Code guideline is not complied with)
BOARD GOVERNANCE				
1	Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	Not Complied	no induction and orientation was provided to the existing board members when they joined. However, going forward, for new board members joining, induction and orientation will be conducted.
2	Are there governing board members holding staff* appointments?		Yes	
3	Staff does not chair the Board and does not comprise more than one third of the Board.	1.1.3	Complied	
4	There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.	1.1.5	Complied	
5	The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years. If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.	1.1.7	Complied	
6	All governing board members must submit themselves for re-nomination and re-appointment, at least once every 3 years.	1.1.8	Complied	
7	There are documented terms of reference for the Board and each of its committees.	1.2.1	Complied	
CONFLICT OF INTEREST				
8	There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	Complied	
9	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied	
STRATEGIC PLANNING				
10	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	Complied	

S/No.	Code guideline	Code ID	Compliance	Explanation (if Code guideline is not complied with)
HUMAN RESOURCE AND VOLUNTEER* MANAGEMENT				
11	The Board approves documented human resource policies for staff.	5.1	Complied	
12	There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	Complied	
13	There are processes for regular supervision, appraisal and professional development of staff.	5.5	Complied	
FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
14	There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity's core charitable programmes.	6.1.1	Complied	
15	The Board ensures that internal controls for financial matters in key areas are in place with documented procedures.	6.1.2	Complied	
16	The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	Complied	
17	The Board ensures that there is a process to identify, and regularly monitor	6.1.4	Complied	
18	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied	
19	Does the charity invest its reserves (e.g. in fixed deposits)?		No	
FUNDRAISING PRACTICES				
21	Did the charity receive cash donations (solicited or unsolicited) during the financial year?		No	no fundraising was orgainised in the financial year
23	Did the charity receive donations in kind during the financial year?		No	
DISCLOSURE AND TRANSPARENCY				
25	The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	Complied	
26	Are governing board members remunerated for their services to the Board?		No	
29	Does the charity employ paid staff?		Yes	
30	No staff is involved in setting his own remuneration.	2.2	Complied	
31	The charity discloses in its annual report — (a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity's subsidiaries) exceeding $100,000 during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of $100,000. OR The charity discloses that none of its paid staff receives more than $100,000 each in annual remuneration.	8.4	Complied	

Attendance at Board Meetings

Global Cultural Alliance Ltd
(UEN#201428805R)
Incorporated 26 Mar 2014

Main Board	Appointment since	Designation	Attendance in FY18
Lee Suan Hiang	1-Jun-2016	Chairman	4/4
Colin Goh	29-Sep-2014	Member	4/4
Koh Chye Hock	14-Nov-2017	Member	3/4
Nicholas Goh Cher Shuie	11-Dec-2014	Member	2/4
Phan Ming Yen	1-Apr-2016	Member	4/4
Philip Tan Chin Wen	6-Feb-2015	Member	3/4
Yeo Thiam Lock Edwin	14-Nov-2017	Member	4/4

Conflict of Interest Policy

GCA has a Conflict of Interest Policy where all members of the Board, Sub-Committees and staff, when acting on behalf of the GCA, must ensure that the deliberations and decisions made are in the interest of GCA, and the interest of GCA is protected when entering into a transaction, contract or arrangement. All members and staff shall promptly and fully disclose, in accordance with the procedures laid down by GCA, all interests (actual or potential) which could conflict with their duties and shall recuse from participating in any discussion and decision on the matter.

Whistleblowing Policy

GCA has a Whistleblowing Policy that provides Board members, Sub-Committee members, staff, contractors, volunteers and beneficiaries with accessible channel to the Chairman of the Whistleblowing Committee for reporting suspected fraud, corruption, dishonest practices or other similar matters. All whistle-blower complaints will be reviewed by the Whistleblowing Committee immediately to ensure independent and thorough investigation and appropriate follow-up.

Financial Statements

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The directors are pleased to present their statement to the member together with the audited financial statements of Global Cultural Alliance Limited (the "Company") for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying balance sheet, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flow of the Company for the year then ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as the holding company has agreed to provide continuing financial support to the Company to enable it to meet its obligation as and when they fall due.

Directors

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

Lee Suan Hiang
Colin Goh
Nicholas Goh Cher Shuie (Wu Zishui)
Phan Ming Yen
Philip Tan Chin Wen (Chen Jingwen)
Yeo Thiam Lock Edwin
Koh Chye Hock

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

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of directors:

Phan Ming Yen
Director

Lee Suan Hiang
Director

Singapore
17 October 2019

Independent auditor's report to the member of Global Cultural Alliance Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Global Cultural Alliance Limited (the "Company"), which comprise the balance sheet as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), the Charities Act, Chapter 37 (the Charities Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

(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 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

17 October 2019

Balance sheet
As at 31 March 2019

	Note	2019 $	2018 $
Non-current assets			
Plant and equipment	4	507	1,697
Current assets			
Trade and other receivables	5	138,318	55,902
Prepaid operating expenses		–	11,918
Cash and cash equivalents	6	180,516	118,571
		318,834	186,391
Current liabilities			
Trade and other payables	7	1,051,481	631,511
Grants received in advance	8	75,962	80,653
		1,127,443	712,164
Net current liabilities		(808,609)	(525,773)
Net liabilities		(808,102)	(524,076)
Fund attributable to owner of the Company			
Accumulated losses		(808,102)	(524,076)

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

Global Cultural Alliance Limited

Statement of comprehensive income
For the financial year ended 31 March 2019

	Note	2019 $	2018 $
Income			
Donations		1,481	110,332
Management income	9	473,608	237,189
Other income		17,147	98,213
Total income		492,236	445,734
Other item of expense			
Project expenses		658,806	548,559
Staff costs	10	293,803	430,368
Other operating expenses	11	207,321	133,381
Deficit before government grants		(667,694)	(666,574)
Government grants	12	383,668	300,244
Deficit after government grants		(284,026)	(366,330)
Income tax expense	13	–	–
Deficit, net of tax, representing total comprehensive income for the financial year		(284,026)	(366,330)

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

Global Cultural Alliance Limited

Statement of changes in equity
For the financial year ended 31 March 2019

	Accumulated losses $	Total $
At 1 April 2017	(157,746)	(157,746)
Deficit for the financial year, representing total comprehensive loss for the financial year	(366,330)	(366,330)
At 31 March 2018 and 1 April 2018	(524,076)	(524,076)
Deficit for the financial year, representing total comprehensive loss for the financial year	(284,026)	(284,026)
At 31 March 2019	(808,102)	(808,102)

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

Global Cultural Alliance Limited

Cash flow statement
For the financial year ended 31 March 2019

	2019 $	2018 $
Operating activities:		
Deficit before government grant	(667,694)	(666,574)
Adjustments for:		
Depreciation of plant and equipment	644	1,802
Operating loss before changes in working capital	(667,050)	(664,772)
Changes in working capital		
Decrease in trade and other receivables	24,374	11,938
Decrease in prepaid operating expenses	11,918	212,551
Increase/(decrease) in trade and other payables	49,863	(57,806)
Increase/(decrease) in contract liabilities	105,959	(18,959)
Cash flows used in operations	(474,936)	(517,048)
Investing activities		
Purchase of plant and equipment	546	(2,510)
Amount due from related company	(2,265)	–
Net cash flow from investing activities	(1,719)	(2,510)
Financing activities		
Government grants received	378,977	380,897
Increase/(decrease) in amount due to holding company	159,623	(4,563)
Net cash flow from financing activities	538,600	376,334
Net increase/(decrease) in cash and cash equivalents	61,945	(143,224)
Cash and cash equivalents at beginning of the year	118,571	261,795
Cash and cash equivalents at 31 March 2019 (Note 6)	180,516	118,571

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

1. Corporate information

Global Cultural Alliance Limited (the "Company") is incorporated as a company limited by guarantee in Singapore. The holding company is The Rice Company Limited, a company incorporated in Singapore.

The Company has been registered as a Charity, Registration No. 201428805R under the Charities Act, Chapter 37 of Singapore with effect from 14 March 2016. The registered office and principal place of business of the Company is located at 181 Orchard Road, #10-01 Orchard Central, Singapore 238896.

The principal activities of the Company are those of engaging in initiatives, programmes and events (such as performances, exhibitions, workshops) which promote cultural diplomacy. Such initiatives and events will usually involve some form of international exchange and engagement.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

The financial statements are presented in Singapore dollar ("SGD" or "$") except where otherwise indicated.

As at 31 March 2019, the Company's total liabilities exceeded its total assets by $808,102 (2018: $524,076) and current liabilities exceeded its current assets by $808,609 (2018: $525,773). This factor indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the company to continue as a going concern depends on the holding company's undertaking to provide continuing financial support to enable the Company to continue as a going concern.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

The nature and the impact of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers are described below:

FRS 109 Financial Instruments

On 1 April 2018, the Company adopted FRS 109 *Financial Instruments*, which is effective for annual periods beginning on or after 1 January 2018. The changes arising from the adoption of FRS 109 have been applied using a modified retrospective approach. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39.

2. Summary of significant accounting policies (continued)

2.2 *Changes in accounting policies (continued)*

FRS 109 Financial Instruments (continued)

Classification and measurement

FRS 109 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model was made as of the date of initial application on 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. Loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 April 2018.

There are no changes in classification and measurement for the Company's financial liabilities.

Impairment

FRS 109 requires the Company to record expected credit losses on all of its financial assets measured at amortised cost, either on a 12-month or lifetime basis. The Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired. Given the limited exposure of the Company to credit risk, this amendment has no material impact on the financial statements.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces a new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has applied the changes in accounting policies on a modified retrospective approach.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations. There is no material effect on the financial statements of the Company.

2. Summary of significant accounting policies (continued)

2.3 *Standards issued but not yet effective*

Description	*Effective for annual periods beginning on or after*
FRS 116: Leases	1 January 2019
Improvements to FRSs (March 2018)	
- Amendment to FRS 110 and FRS 28: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2019
- Amendment to FRS 103 Business Combination	1 January 2019
- Amendment to FRS 111 Joint Arrangements	1 January 2019
- Amendment to FRS 12 Income Taxes	1 January 2019
- Amendment to FRS 23 Borrowing Costs	1 January 2019
INT FRS123 Uncertainty over Income Tax Treatments Illustrative Examples	1 January 2019
Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on the straight line over the estimated useful lives of the assets as follows:

Computer	-	3 years
Furniture & Fittings	-	5 years

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

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

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

2.5 *Impairment of non-financial assets*

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

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

2. Summary of significant accounting policies (continued)

2.5 *Impairment of non-financial assets (cont'd)*

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

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

2. Summary of significant accounting policies (continued)

2.6 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.7 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. Summary of significant accounting policies (continued)

2.7 Impairment of financial assets (continued)

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

2.8 Cash and cash equivalents

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

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2.10 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

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

2.11 Revenue

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

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

2. Summary of significant accounting policies (continued)

2.11 Revenue (continued)

Management fee income

Management fee is recognised over time based on the provision of services to the customers.

2.12 Donations

Donations are recognised on a receipt basis, except for those made for specific purposes, which are recognised to match the specified expenditure when incurred.

2.13 Taxes

The Company has been registered as a charity under the Charities Act. According to Section 13(1)(zm) of the Singapore Income Tax Act, the income of the Company will be exempted from tax.

2.14 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.15 Government grants

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

Government grants to meet the current period’s operating expenses are recognised as income in the financial period in which the operating expenses are incurred.

3. Significant accounting judgments and estimates

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

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

4. Plant and equipment

	Computer	Furniture and fittings	Total
	$	$	$
Cost			
At 1 April 2017	3,002	780	3,782
Additions	2,510	–	2,510
Disposal	(954)	–	(954)
At 31 March 2018 and 1 April 2018	4,558	780	5,338
Disposal	(1,578)	–	(1,578)
At 31 March 2019	2,980	780	3,760
Accumulated depreciation			
At 1 April 2017	2,482	311	2,793
Depreciation charge for the financial year	1,646	156	1,802
Disposal	(954)	–	(954)
At 31 March 2018 and 1 April 2018	3,174	467	3,641
Depreciation charge for the financial year	488	156	644
Disposal	(1,032)	–	(1,032)
At 31 March 2019	2,630	623	3,253
Net carrying amount:			
At 31 March 2019	350	157	507
At 31 March 2018	1,384	313	1,697

5. Trade and other receivables

	2019 $	2018 $
Trade receivables		
External parties	–	25,024
Amount due from related company	2,265	–
	2,265	25,024
Amount due from holding company (non-trade)	135,103	30,578
Refundable deposit	950	300
Total trade and other receivables	138,318	55,902
Add: Cash and cash equivalents (Note 6)	180,516	118,571
Total financial assets carried at amortised cost	318,834	174,473

Trade receivables

Trade receivables are non-interest bearing and are generally on immediate payment terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from holding company

The amount due from holding company is unsecured, non-interest bearing and repayable on demand.

Amount due from related company

The amount due from related company is unsecured, non-interest bearing and repayable on demand.

Trade receivables that are past due but not impaired

The Company has trade receivables amounting to $25,024 as at 31 Mar 2018 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2018 $
Trade receivables past due:	
Lesser than 30 days	16,791
31 to 60 days	4,000
More than 90 days	4,233
	25,024

5. Trade and other receivables (continued)

Trade receivables that are impaired

The Company has no trade receivables that are impaired at the end of the reporting period. Given the limited exposure of the Company to credit risk, there is no additional provision for impairment of trade receivables as at 1 April 2018 and 31 March 2019.

6. Cash and cash equivalents

Cash and cash equivalents comprise the following at the balance sheet date:

	2019 $	2018 $
Cash at bank	180,516	118,571

7. Trade and other payables

	2019 $	2018 $
Trade payables	600	567
Amount due to holding company	961,377	573,526
Other payables	–	14,041
Accrued operating expenses	89,504	43,377
Total financial liabilities at amortised cost	1,051,481	631,511

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 days' term.

Amount due to holding company

Amount due to holding company is non-trade in nature, unsecured, interest-free and repayable when the cash flow of the Company permits.

8. Grants received in advance

Grants received in advance relate to grants received from the Ministry of Culture, Community and Youth (MCCY) under the "Cultural Matching Fund" (CMF) for the programmes. As the programme expenditure has not been incurred as of the end of the reporting period, the amounts are recognised as grants received in advance.

9. Management income

	2019 $	2018 $
Management income	473,608	237,189

Timing of transfer of services		
Over time	473,608	237,189

10. Staff costs

	2019 $	2018 $
Employee benefits expense		
Salaries and related costs	254,001	368,214
CPF contributions	39,802	62,154
	293,803	430,368

Number of key management in remuneration bands are as follows:

	2019 $	2018 $
$100,000 to $200,000	1	1

11. Other operating expenses

The following items have been included in other operating expenses:

	2019 $	2018 $
Professional fee	22,884	11,106
Management fee	164,109	115,577
Depreciation expense	644	1,802

12. Government grants

	2019 $	2018 $
Cultural Matching Fund	71,572	253,418
Other grants	312,096	46,826
	383,668	300,244

12. Government grants (continued)

Cultural Matching Fund ("CMF") received are from Ministry of Culture, Community and Youth ("MCCY"). Other grant includes project funding from National Art Council ("NAC") and National Youth Council. In the opinion of the directors, there are no unfulfilled conditions or contingencies attached to these grants.

13. Income tax expense

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

14. Related party transactions

(a) In addition to those related party information disclosed elsewhere in the financial statements, the following are the significant intercompany transactions entered into by the Company with fellow related parties on terms agreed:

	2019	**2018**
	$	$
Management fee to holding company	(164,109)	(115,577)
Management income from holding company	356,000	151,000

(b) Compensation of key management personnel

	2019	**2018**
	$	$
Short-term employee benefits, representing total amounts paid to key management personnel of the Company	122,529	121,376

A Key Management personnel sits on the Board and remunerated as a staff. No Board members receives remuneration for its Board services.

15. Fair value of financial instrument

The fair value of a financial instrument is the amount at which the instrument could be exchanged for or settled between knowledgeable parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value

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

16. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company. The key financial risks arising from the Company's financial instruments are liquidity risk and credit risk.

The Company does not hold or issue derivative financial instruments for trading purposes. The board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Credit risk

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

Risk Management

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet as disclosed on Note 5.

Risk Rating

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These three categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

16. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Risk Rating (continued)

Category	Definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses
Under-performing	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 120 days past due.	Lifetime expected credit losses
Non-performing	Interest and/or principal repayments are 180 days past due.	Lifetime expected credit losses

The Company has no trade receivables that are impaired at the end of the reporting period. Given the limited exposure of the Company to credit risk, there is no additional provision for impairment of trade receivables as at 1 April 2018 and 31 March 2019.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the support from its holding company.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period on contractual undiscounted payments:

	2019 $		
	Less than 1 year	**1 year to 5 years**	**Total**
Financial assets:			
Trade and other receivables	258,318	–	258,318
Cash and cash equivalents	180,516	–	180,516
Total undiscounted financial assets	438,834	–	438,834

16. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

	2019 $		
	Less than 1 year	**1 year to 5 years**	**Total**
Financial liabilities:			
Trade and other payables representing total undiscounted financial liabilities	(1,171,481)	–	(1,171,481)
Total net undiscounted financial liabilities	(732,647)	–	(732,647)

	2018 $		
	Less than 1 year	**1 year to 5 years**	**Total**
Financial assets:			
Trade and other receivables	55,902	–	55,902
Cash and cash equivalents	118,571	–	118,570
Total undiscounted financial assets	174,473	–	174,473
Financial liabilities:			
Trade and other payables representing total undiscounted financial liabilities	(631,511)	–	(631,511)
Total net undiscounted financial liabilities	(457,038)	–	(457,038)

17. Funds Management

The Company's funds management objective is to safeguard the Company's ability to continue as a going concern and to maintain an optimal level of funds in order to support its operations. The funds that the company monitors is the accumulated fund as presented on the balance sheet. As disclosed in Note 2, the Company's ability to continue as a going concern depends on the holding Company undertaking to provide continuing financial support to enable the Company to continue as a going concern.

The Company is not subject to externally imposed fund requirements.

There were no changes to the Company's approach to funds management during the year.

18. Authorisation of financial statements

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 17 October 2019.

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