

**SINGAPORE HOKKIEN HUAY KUAN
DANCE THEATRE LIMITED**
(Co. Reg. No. 201419196W)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015**

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**BAKER TILLY
TFW**

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT

The Committee of Management all of whom are directors of Singapore Hokkien Huay Kuan Dance Theatre Limited (the "Company") hereby present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2015.

In the opinion of the Committee of Management:

- (i) the financial statements set out on pages 4 to 15 are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act, Singapore Charities Act and Singapore Financial Reporting Standards; 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.

Committee of Management

The committee members in office at the date of this statement are:

Chua Seng Chong (Appointed on 7 July 2015)
Peh Nam Chuan Adrian
Chan Hock Keng
Leong Weng Kam
Neo Peng Fu
Teo Han Wue


Other matters

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

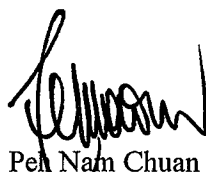
Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Committee of Management



Chua Seng Chong
Chairman



Peh Nam Chuan Adrian
Treasurer

12 May 2016



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Hokkien Huay Kuan Dance Theatre Limited (the "Company") set out on pages 4 to 15, which comprise the balance sheet as at 31 December 2015, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Committee of Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Committee of Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

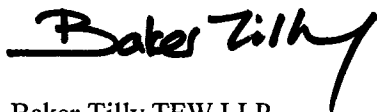
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in accumulated fund and cash flows of the Company for the financial year ended on that date.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED (cont'd)**

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Company has not complied with the requirements of regulation 7 (Fund-raising expenses) of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 May 2016

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2015

	Note	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
Income			
Registration and tuition fees		191,848	37,149
Government grants		419,020	37,500
Core programmes income		124,116	8,336
Community and educational programmes income		154,263	9,788
Donation income		282,112	–
Sundry income		10,214	–
		1,181,573	92,773
Less expenses			
Lecturers' fees		47,597	9,927
Core programmes expenses		140,275	4,796
Community and educational programmes expenses		64,319	740
Depreciation of plant and equipment		4,676	1,975
Management fees		18,000	11,544
Staff costs	3	279,162	80,386
Services fees		93,906	14,071
Other expenses		42,691	6,629
		690,626	130,068
Profit/(loss) before tax		490,947	(37,295)
Tax expense	4	–	–
Profit/(loss) and total comprehensive income/(loss) for the financial year/period		490,947	(37,295)

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

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED**BALANCE SHEET
At 31 December 2015**

	Note	2015 \$	2014 \$
Non-current asset			
Plant and equipment	5	8,816	7,049
		<hr/>	
Current assets			
Other receivables	6	278,473	8,735
Fixed deposits	7	185,001	—
Bank balances		112,434	52,907
		<hr/>	
		575,908	61,642
		<hr/>	
Total assets		584,724	68,691
		<hr/>	
Current liabilities			
Other payables	8	131,072	105,986
		<hr/>	
Net assets/(liabilities)		453,652	(37,295)
		<hr/>	
Accumulated fund		453,652	(37,295)
		<hr/>	

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

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT OF CHANGES IN ACCUMULATED FUND

For the financial year ended 31 December 2015

	\$
Balance at 1 July 2014 (date of incorporation)	—
Loss and total comprehensive loss for the financial period	(37,295)
Balance at 31 December 2014	<u>(37,295)</u>
Profit and total comprehensive income for the financial year	490,947
Balance at 31 December 2015	<u>453,652</u>

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

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
Cash flows from operating activities		
Profit/(loss) before tax	490,947	(37,295)
Adjustment for:		
Depreciation of plant and equipment	4,676	1,975
Operating cash flows before movements in working capital	495,623	(35,320)
Other receivables	(269,738)	(8,735)
Other payables	33,010	98,062
Net cash generated from operating activities	258,895	54,007
Cash flows from investing activity		
Purchase of plant and equipment (Note A)	(14,367)	(1,100)
Net increase in cash and cash equivalents	244,528	52,907
Cash and cash equivalents at beginning of financial year/period	52,907	–
Cash and cash equivalents at end of financial year/period	297,435	52,907
Cash and cash equivalents comprise:		
Fixed deposits	185,001	–
Bank balances	112,434	52,907
	297,435	52,907
Note A: Purchase of plant and equipment		
Aggregate cost of plant and equipment acquired	6,443	9,024
Add: Outstanding payable included in amount due to related party under other payables at 1 January	7,924	–
Less: Outstanding payable included in amount due to related party under other payables at 31 December	–	(7,924)
Net cash outflow for purchase of plant and equipment	14,367	1,100

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

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2015

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

1 Corporate information

The Company (Co. Reg. No. 201419196W) is incorporated and domiciled in Singapore. Its registered office is located at 5 Sennett Road, Singapore 466781.

The principal activities of the Company are principally engaged in the business of production of live cultural dance drama and other stage performance, and charitable and other supporting activities aimed at advancing arts and heritage.

The Company has been approved as an Institution of a Public Character under the Singapore Charities Act for a period of 1 year with effect from 17 February 2016.

In accordance with the Memorandum of Association, each member of the Company has undertaken to contribute such amount not exceeding \$1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollar, which is the Company's functional and presentation currency, have been prepared in accordance with the provisions of the Singapore Companies Act, Singapore Charities Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Committee of Management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not have any material effect on the financial results or position of the Company.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company except as disclosed below:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2018. The Company will reassess its contracts with customers in accordance with FRS 115.

FRS 109 Financial Instruments

FRS 109 includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. FRS 109, when effective will replace FRS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after 1 January 2018. The Company will reassess the potential impact of FRS 109 and plans to adopt the standard on the required effective date.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and related cost can be reliably measured.

Registration and tuition fees and programmes income are recognised when the fees are due and payable.

Donation income is recognised when it is received.

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Government grants

Government grants are recognised at their fair value where 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 as income over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised as income over the period necessary to match them on a systematic basis to the expense that it is intended to compensate.

2 Summary of significant accounting policies (cont'd)

(d) Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(e) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to profit or loss in the period in which the related service is performed.

(f) Income taxes

The Company is a registered charity and exempted from income tax under the provisions of the Income Tax Act.

(g) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost of the plant and equipment over their estimated useful lives, using the straight-line method as follows:

	Years
Furniture, fittings and equipment	5
Computers	3

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

2 Summary of significant accounting policies (cont'd)

(i) Financial assets

The Company's only financial assets are "loans and receivables" which comprise other receivables (excluding prepayments), fixed deposits and bank balances on the balance sheet.

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less impairment. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(j) Financial liabilities

Financial liabilities include other payables (excluding fees received in advance and deferred income) which are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at Committee of Management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(l) Cash and cash equivalents

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

3 Staff costs

	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
Salaries and related costs	246,107	70,177
CPF	33,055	10,209
	279,162	80,386

Compensation of key management personnel of the Company included in staff costs are as follows:

	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
Salaries and related costs	105,432	28,040
CPF	16,813	4,480
	122,245	32,520

4 Tax expense

The income tax expense on the results of the financial year/period differs from the amount of income tax determined by applying the Singapore statutory tax rate of income tax to profit/(loss) before tax due to the following factors:

	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
Profit/(loss) before tax	490,947	(37,295)
Tax calculated at a tax rate of 17%	83,461	(6,340)
Deferred tax assets not recognised	-	6,340
Others - tax exempt status	(83,461)	-
	-	-

At 31 December 2014, the Company has potential tax benefits arising from unabsorbed tax losses of approximately \$37,300 that are available for carry-forward to offset against future taxable income, subject to the agreement of the tax authorities and compliance with the relevant provisions of the Income Tax Act. The potential deferred tax assets have not been recognised in the financial statements as it is not probable that the future taxable income will be available and sufficient to allow these temporary differences to be realised in the foreseeable future.

With effect from 14 April 2015, the Company has been registered as a charity under the Singapore Charities Act, therefore the Company is exempted from income tax under the provisions of the Income Tax Act.

5 Plant and equipment

	Furniture, fittings and equipment \$	Computers \$	Total \$
2015			
Cost			
At 1 January 2015	2,648	6,376	9,024
Additions	6,053	390	6,443
At 31 December 2015	8,701	6,766	15,467
Accumulated depreciation			
At 1 January 2015	530	1,445	1,975
Depreciation	1,740	2,936	4,676
At 31 December 2015	2,270	4,381	6,651
Net carrying value			
At 31 December 2015	6,431	2,385	8,816
2014			
Cost			
Additions during the financial period and balance at 31 December 2014	2,648	6,376	9,024
Accumulated depreciation			
Depreciation charge during the financial period and balance at 31 December 2014	530	1,445	1,975
Net carrying value			
At 31 December 2014	2,118	4,931	7,049

6 Other receivables

	2015 \$	2014 \$
Other receivables	9,410	1,605
Grants receivables	265,923	—
Prepayments	2,940	7,130
Deposits	200	—
	278,473	8,735

7 Fixed deposits

All fixed deposits mature within 6 (2014: Nil) months from the balance sheet date and earn interest rates ranging from 0.05% to 0.15% (2014: Nil) per annum.

8 Other payables

	2015 \$	2014 \$
Amount due to related party	3	23,534
Other payables	5,288	3,538
Accrued operating expenses	36,792	34,021
Fees received in advance	51,489	44,893
Deferred income	37,500	–
	<u>131,072</u>	<u>105,986</u>

The amount due to related party is non-trade, unsecured, interest-free and payable on demand.

9 Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties on terms agreed between the parties during the financial year/period:

	1.1.2015 to 31.12.2015 \$	1.7.2014 to 31.12.2014 \$
With related parties		
Donation income	263,590	–
Management fees	18,000	11,544
Services fees	93,906	14,071
Purchase of plant and equipment	–	7,924
	<u> </u>	<u> </u>

Related parties refer to companies in which certain committee members of the Company are also the director of such companies.

10 Financial instruments**(a) Categories of financial instruments**

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2015 \$	2014 \$
<i>Financial assets</i>		
Other receivables	275,533	1,605
Fixed deposits	185,001	–
Bank balances	112,434	52,907
	<u>572,968</u>	<u>54,512</u>
<i>Financial liabilities</i>		
Financial liabilities at amortised cost - other payables	42,083	61,093
	<u> </u>	<u> </u>

10 Financial instruments (cont'd)

(b) Financial risk management

The Company's activities expose to minimal financial risks and overall risk management is determined and carried out by the Committee of Management.

The Company does not have any significant concentration of credit risk except for fixed deposits and bank balances placed with a reputable financial institution. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. Cash and cash equivalents are placed with a reputable financial institution which is regulated and has good credit standing. At the balance sheet date, there are no financial assets that are either past due and/or impaired.

The Company is not significant exposed to interest rate risk or foreign exchange risk.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

(c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their respective fair values due to relatively short-term maturity of these financial instruments.

11 Capital management

The Company's objectives when managing its capital are to safeguard and maintain adequate working capital to continue as a going concern. The Company's capital comprises its accumulated fund on the balance sheet.

No changes were made to the Company's capital management objectives or policies during the financial year ended 31 December 2015 and financial period ended 31 December 2014.

12 Comparative figures

The financial statements for the current financial year cover the financial period from 1 January 2015 to 31 December 2015. The financial statements for 2014 covered the financial period from 1 July 2014 (date of incorporation) to 31 December 2014. As such, the statement of comprehensive income, statement of changes in accumulated fund, statement of cash flows and related notes for the current financial year and previous financial period are not comparable.

13 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Committee of Management dated 12 May 2016.