

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

**FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM
1 JULY 2014 (DATE OF INCORPORATION)
TO 31 DECEMBER 2014**

CONTENTS

Committee of Management's Report	1
Statement by Committee of Management	2
Independent Auditor's Report	3
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Accumulated Fund	6
Statement of Cash Flows	7
Notes to the Financial Statements	8



**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 REPORT

The Committee of Management hereby present their first report to the members together with the audited financial statements of the Company for the financial period from 1 July 2014 (date of incorporation) to 31 December 2014.

1 Committee of Management

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

Choo Thiam Siew	(Appointed on 1 July 2014)
Tan Tock Han	(Appointed on 1 July 2014)
Peh Nam Chuan Adrian	(Appointed on 1 July 2014)
Peng Peck Seng	(Appointed on 1 July 2014)
Chan Hock Keng	(Appointed on 1 July 2014)
Leong Weng Kam	(Appointed on 29 December 2014)
Neo Peng Fu	(Appointed on 29 December 2014)
Teo Han Wue	(Appointed on 29 December 2014)
Teo Cher Cheong	(Appointed on 2 February 2015)

2 Committee members' contractual benefits

Since the date of incorporation, no committee member has received or 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.

3 Other matters

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

4 Independent auditor

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

On behalf of the Committee of Management



Peng Peck Seng
Chairman



Choo Thiam Siew
Committee member

12 May 2015

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT BY COMMITTEE OF MANAGEMENT

In the opinion of the Committee of Management:

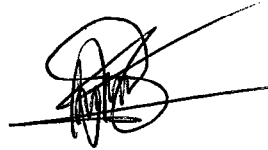
- (i) the financial statements set out on pages 4 to 14 are properly drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results, changes in accumulated fund and cash flows of the Company for the financial period from 1 July 2014 (date of incorporation) to 31 December 2014 in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; and
- (ii) at the date of this statement, as the Company has obtained continuing financial support from a related party, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Committee of Management



Perng Peck Seng
Chairman

12 May 2015



Choo Thiam Siew
Committee member



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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 14, which comprise the balance sheet as at 31 December 2014, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the financial period from 1 July 2014 (date of incorporation) to 31 December 2014, 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 "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 profit and loss account and balance sheet 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results, changes in accumulated fund and cash flows of the Company for the financial period from 1 July 2014 (date of incorporation) to 31 December 2014.

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.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 May 2015

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 July 2014 (date of incorporation) to 31 December 2014

	Note	\$
Income		
Registration and tuition fees		37,149
Government grants		37,500
Core programmes income		8,336
Community & educational programmes income		9,788
		<hr/>
		92,773
		<hr/>
Less expenses		
Lecturer's fees		9,927
Core programmes expenses		4,796
Community & educational programmes expenses		740
Depreciation of plant and equipment		1,975
Management fees		11,544
Staff costs	3	80,386
Services chargeable		14,071
Other expenses		6,629
		<hr/>
		130,068
		<hr/>
Loss before tax		(37,295)
Tax expense	4	—
		<hr/>
Loss and total comprehensive loss for the financial period		(37,295)
		<hr/>

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

9 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 bank balances 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. Bank balances 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.

As mentioned in Note 2(a), the Company is dependent on a related party for continuing financial support and the Committee of Management are satisfied that the financial support will be available as and when required.

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.

10 Capital management

The Company is dependent on the continuing financial support from a related party to ensure that the Company will be able to continue as a going concern. The Company's capital comprises its accumulated fund. The Company's overall strategy remains unchanged from date of incorporation.

11 Comparative figures

The financial statements cover the financial period from 1 July 2014 (date of incorporation) to 31 December 2014. No comparative figures are presented as this is the first set of financial statements prepared since the date of incorporation.

12 Authorisation of financial statements

The financial statements of the Company for the financial period from 1 July 2014 (date of incorporation) to 31 December 2014 were authorised for issue in accordance with a resolution of the Committee of Management dated 12 May 2015.

6 Other receivables

	\$
Other receivables	1,605
Prepayments	7,130
	<u>8,735</u>

7 Other payables

	\$
Amount due to related party	23,534
Other payables	3,538
Accrued operating expenses	34,021
Advance receipts	44,893
	<u>105,986</u>

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

8 Related party transactions

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

	\$
With related parties	
Management fees paid	11,544
Services chargeable	14,071
Purchase of plant and equipment	7,924
	<u>33,539</u>

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

9 Financial instruments

(a) Categories of financial instruments

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

	\$
<i>Financial assets</i>	
Other receivables	1,605
Bank balances	52,907
	<u>54,512</u>
<i>Financial liabilities</i>	
Financial liabilities at amortised cost - other payables	<u>61,093</u>

3 Staff costs

	\$
Salaries and related costs	70,177
CPF	10,209
	<u>80,386</u>

4 Tax expense

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

	\$
Loss before tax	<u>(37,295)</u>
Tax calculated at a tax rate of 17%	(6,340)
Deferred tax assets not recognised	6,340
	<u>—</u>

At the balance sheet date, 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.

5 Plant and equipment

	Office furniture, fittings and equipment \$	Computers \$	Total \$
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	<u>2,118</u>	<u>4,931</u>	<u>7,049</u>

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) 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 advance receipts) 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. Gain 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) 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 taken to 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.

2 Summary of significant accounting policies (cont'd)

(f) Income taxes (cont'd)

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

Deferred income tax is charged or credited to fund if the tax relates to items that are credited or charged, in the same or a different period, directly to fund.

(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
Office furniture, fittings and equipment	5
Computers	5

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)

(b) Basis of preparation (cont'd)

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

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial period ended 31 December 2014 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 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. 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 review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

(c) Income recognition

Income 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 income and related cost can be reliably measured.

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

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

(d) 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.

(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

Income tax on the profit or loss for the financial period comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to fund, in which case it is recognised in fund.

Current tax is the expected tax payable on the taxable income for the current financial period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 July 2014 (date of incorporation) to 31 December 2014

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.

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) Going concern

The Company incurred a net loss of \$37,295 during the financial period ended 31 December 2014 and as at that date, the Company's total liabilities exceeded its total assets by \$37,295. The financial statements are prepared on a going concern basis because Singapore Hokkien Huay Kuan, a related party has given its undertakings to provide continuing financial support so that the Company is able to pay its debts as and when they fall due. The Committee of Management are satisfied that the financial support will be available as and when required.

(b) Basis of preparation

The financial statements, expressed in Singapore dollars, which is the Company's functional currency, have been prepared in accordance with the provisions of the Singapore Companies 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 period. 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 period.

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

STATEMENT OF CASH FLOWS

For the financial period from 1 July 2014 (date of incorporation) to 31 December 2014

	\$
Cash flows from operating activities	
Loss before tax	(37,295)
Adjustment for:	
Depreciation of plant and equipment	1,975
Operating cash flows before movements in working capital	<u>(35,320)</u>
Other receivables	(8,735)
Other payables	98,062
Net cash generated from operating activities	<u>54,007</u>
Cash flows from investing activity	
Purchase of plant and equipment (Note A)	(1,100)
Net increase in bank balances, representing bank balances at end of financial period	<u>52,907</u>
Note A: Purchase of plant and equipment	
Aggregate cost of plant and equipment acquired	9,024
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	<u>1,100</u>

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 period from 1 July 2014 (date of incorporation) to 31 December 2014

	\$
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>

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

SINGAPORE HOKKIEN HUAY KUAN DANCE THEATRE LIMITED

BALANCE SHEET
At 31 December 2014

	Note	\$
Non-current asset		
Plant and equipment	5	<u>7,049</u>
Current assets		
Other receivables	6	8,735
Bank balances		<u>52,907</u>
		<u>61,642</u>
Total assets		<u>68,691</u>
Current liabilities		
Other payables	7	<u>105,986</u>
Net liabilities		<u>(37,295)</u>
Accumulated fund		<u>(37,295)</u>

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