

**THE CHINESE OPERA INSTITUTE**

- Co. Reg. No. 199504600N

(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

**DIRECTORS' STATEMENT**

for the year ended 31 March 2016

The directors are pleased to present their statement to the members together with the audited financial statements of THE CHINESE OPERA INSTITUTE [the "Institute"] for the financial year ended 31 MARCH 2016.

**Opinion Of The Directors**

In the opinion of the directors,

- (a) the financial statements of the Institute as set out on pages 4 to 20 are drawn up so as to give a true and fair view of the financial position of the Institute as at 31 MARCH 2016, and the financial performance, changes in equity and cash flows of the Institute for the financial year then ended, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

**Directors**

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

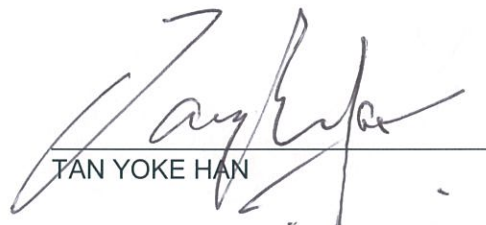
LIM FANG HUA  
POH SIN CHOON @ POH SENG CHOON  
TAN YOKE HAN  
LOW HEE TANG

ANG MONG SENG  
LIM HUAN CHIANG  
KANG GIM SENG

**Auditors**

Messrs S C TEO & CO. have expressed their willingness to accept re-appointment as independent auditors.

On Behalf Of The Board Of Directors

  
LIM FANG HUA  
TAN YOKE HAN

SINGAPORE : 14<sup>TH</sup> SEPTEMBER 2016

# S C TEO & CO.

*Public Accountants & Chartered Accountants*

149 Rochor Road #05-07 Fu Lu Shou Complex Singapore 188425

Tel: 63365206, 63365204, 63365202 Fax: 63365203

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

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#### *Report On The Financial Statements*

We have audited the accompanying financial statements of THE CHINESE OPERA INSTITUTE, which comprise the statement of financial position as at 31 MARCH 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on 4 to 20.

#### *Management's Responsibility For The Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 [the "Act"], the Singapore Charities Act, Chapter 37 [the "Charities Act"] and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion*

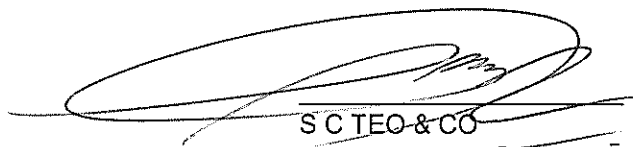
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Institute as at 31 MARCH 2016 and the financial performance, changes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

#### *Report On Other Legal And Regulatory Requirements*

In our opinion, the accounting and other records required by the Act to be kept by the Institute 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 use of the donation moneys was not in accordance with the objectives of the Institute as required under regulation 16 of the Charities [Institutions of a Public Character] Regulations; and
- b. The Institute has not complied with the requirements of regulation 15 [fund-raising expenses] of the Charities [Institutions of a Public Character] Regulations.



S C TEO & CO  
Public Accountants And  
Chartered Accountants  
Singapore

Dated : 14<sup>TH</sup> SEPTEMBER 2016

**THE CHINESE OPERA INSTITUTE**

- Co. Reg. No. 199504600N

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&lt;Company Limited By Guarantee&gt;

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 March 2016

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	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<b>GENERAL FUND</b>			
<b>INCOME</b>			
Art Education Programme		8,884	19,880
Course Fee		5,070	6,125
Donation	4	99,200	34,989
Grants	5	110,514	-
Interest Income		330	738
NAC Subsidy		202,430	202,472
Performance Fee		2,820	2,760
Other Income	6	<u>24,652</u>	<u>19,114</u>
<i>Total Income</i>		<u>453,900</u>	<u>286,078</u>
<b>COST AND EXPENSES</b>			
Depreciation Of Plant And Equipment		16,034	15,328
Salaries And Employees' Benefits	7	100,608	146,787
Other Operating Expenses	8	<u>240,979</u>	<u>112,609</u>
<i>Total Cost And Expenses</i>		<u>357,621</u>	<u>274,724</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>96,279</u>	<u>11,354</u>
<b>CORD FUND</b>			
<b>EXPENDITURES</b>			
Grants		63,550	16,489
Other Operating Expenses		<u>6,040</u>	<u>95</u>
<i>Total Cost And Expenses</i>		<u>69,590</u>	<u>16,584</u>
<b>NET SURPLUS / (DEFICIT) REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>26,689</u>	<u>( 5,230 )</u>

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**THE CHINESE OPERA INSTITUTE**

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**STATEMENT OF FINANCIAL POSITION**

as at 31 March 2016

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	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Plant And Equipment - Net	9	<u>18,415</u>	<u>30,832</u>
<b>Current Assets</b>			
Other Receivables	10	29,334	23,287
Fixed Deposits		138,433	137,758
Cash And Bank Balances		<u>873,679</u>	<u>858,811</u>
<b>Total Current Assets</b>		<u>1,041,446</u>	<u>1,019,856</u>
<b>Total Assets</b>		<u><u>1,059,861</u></u>	<u><u>1,050,688</u></u>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Accumulated Fund		203,347	107,068
Endowment Fund		100,000	100,000
Singapore Chinese Opera Research And Development Fund		<u>750,826</u>	<u>820,416</u>
<b>Total Equity</b>		<u>1,054,173</u>	<u>1,027,484</u>
<b>Current Liabilities</b>			
Other Payables	11	<u>5,688</u>	<u>23,204</u>
<b>Total Equity And Liabilities</b>		<u><u>1,059,861</u></u>	<u><u>1,050,688</u></u>

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**THE CHINESE OPERA INSTITUTE**

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**STATEMENT OF CHANGES IN FUNDS**

for the year ended 31 March 2016

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	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<b>ENDOWMENT FUND</b>			
Balance As At Beginning / End Of The Year		<u>100,000</u>	<u>100,000</u>
<b>ACCUMULATED FUND</b>			
Balance As At The Beginning Of The Year		107,068	95,714
Total Comprehensive Income For The Year		<u>96,279</u>	<u>11,354</u>
Balance As At The End Of The Year		<u>203,347</u>	<u>107,068</u>
<b>SINGAPORE CHINESE OPERA</b>			
<b>RESEARCH AND DEVELOPMENT FUND</b>	4		
Balance As At The Beginning Of The Year		820,416	417,500
Addition During The Year		-	419,500
Movement During The Year		( <u>69,590</u> )	( <u>16,584</u> )
Balance As At The End Of The Year		<u>750,826</u>	<u>820,416</u>

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**THE CHINESE OPERA INSTITUTE**

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**STATEMENT OF CASH FLOW**

for the year ended 31 March 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Cash Flows From Operating Activities</b>		
Surplus / (Deficit) For The Year	26,689	( 5,230 )
<i>Adjustments For :-</i>		
Depreciation Of Plant And Equipment	16,034	15,328
Interest Income	( 330 )	( 738 )
<i>Operating Surplus Before Working Capital Changes</i>	42,393	9,360
Changes In Working Capital		
Receivables	( 6,047 )	( 13,619 )
Payables	( 17,516 )	15,150
<b>Net Cash From Operating Activities</b>	<u>18,830</u>	<u>10,891</u>
<b>Cash Flows From Investing Activities</b>		
Purchase Of Plant And Equipment	( 3,617 )	( 1,091 )
Interest Received	<u>330</u>	<u>738</u>
<b>Net Cash Used In Investing Activities</b>	<u>( 3,287 )</u>	<u>( 353 )</u>
<b>Cash Flows From Financing Activities</b>		
Collection For Singapore Chinese Opera		
Research And Development Fund	<u>-</u>	<u>419,500</u>
<b>Net Cash From Financing Activities</b>	<u>-</u>	<u>419,500</u>
<b>Net Increase In Cash And Cash Equivalents</b>	15,543	430,038
<b>Cash And Cash Equivalents At Beginning Of The Year</b>	<u>996,569</u>	<u>566,531</u>
<b>Cash And Cash Equivalents At End Of The Year</b>	<u><u>1,012,112</u></u>	<u><u>996,569</u></u>

*Note : Cash And Cash Equivalents Comprises Of Bank Balances And Fixed Deposits*

**THE CHINESE OPERA INSTITUTE**

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**NOTES TO THE ACCOUNTS**

31 March 2016

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

**1. Organization Information**

The financial statements of THE CHINESE OPERA INSTITUTE for the year ended 31 March 2016 were authorized for issue in accordance with a resolution of the directors on 14 September 2016.

The Institute is registered and operates in the Republic of Singapore. The registered office of THE CHINESE OPERA INSTITUTE is located at 80 Raffles Place #25-01 UOB Plaza 1 Singapore 048624. The principal place of operation is located at 28 Aliwal Street #03-05 Aliwal Arts Centre Singapore 199918.

**2. Principal Activities**

The principal activities of the Institute are those of develop, promote, establish and manage a professional Chinese opera in Singapore.

**3. Significant Accounting Policies****(a) Basis Of Preparation And Accounting**

The financial statements of the Institute have been prepared in accordance with the Singapore Financial Reporting Standards [FRS] and applicable requirements of Singapore Law.

The accounts expressed in Singapore dollars [SGD] [also the functional currency] are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below.

**Adoption Of New And Revised FRS**

The Company adopted the new or revised FRS and Interpretations to FRS ["INT FRS"] that are relevant to its operations and effective for annual periods beginning on or after 1 July 2014.



FRS 16 [Amendment] – Property, Plant And Equipment

FRS 113 [Amendment] – Fair Value Measurement

The adoption of these new / revised FRS and INT FRS does not result in changes to the Company's accounting policies nor has significant impact on these financial statements.

New And Revised FRS Issued But Not Yet Effective

At the date of authorization of these financial statements, certain new / revised FRS have been issued and are relevant to the Institute's operations but are only effective for future periods.

*Effective For Financial Year Beginning 1 January 2016*

FRS 1 [Amendment] – Disclosure Initiative

FRS 16 And FRS 38 [Amendment]

– Clarification Of Acceptable Methods Of Depreciation And Amortization

*Effective For Financial Year Beginning 1 January 2017*

FRS 115 – Revenue From Contracts With Customers

FRS 115 will 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 and insurance 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 recognized 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 capitalized and new requirements for disclosure of revenue in the financial statements.

*Effective For Financial Year Beginning 1 January 2018*

FRS 109 – Financial Instruments

The management is currently evaluating the impact from applying the new FRSs.

The preparation of financial statements in conformity with the FRS requires management to exercise its judgment in the process of applying the Institute's accounting policies. It also requires the use of accounting estimates and assumptions that affects the reported amounts of 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 the management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have significant effect on the amount recognized in the financial statements is included.

**(b) *Critical Accounting Estimates And Judgments***

Estimates and judgments are currently evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Apart from information disclosed elsewhere in the financial statements, the following summarizes estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and significant judgments made in the process of applying the Institute's accounting policies :-

**Impairment Of Receivables**

The Institute makes allowance for impairment based on the assessment of the recoverability of the other receivables. Allowance is applied to other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the trade and other receivables and allowance for impairment in the financial year in which such estimate has been changed.

Depreciation Of Property, Plant And Equipment

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

(c) ***Plant And Equipment***

All plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use and the cost of dismantling and removing items and restoring the site. When parts of an item of plant and equipment have different useful lives, they are accounted as separate items of plant and equipment. The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute and its costs can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognized in the income statement as incurred.

Depreciation is calculated by using the straight line method to write off the cost of the assets over their estimated useful lives which have been taken as follows :-

Computers	5 Years
Furniture And Fittings	5 Years
Office Equipment	5 Years
Opera Costumes, Instruments And Equipment	5 Years
Reference Books	5 Years

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

The gain and loss arising from the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and carrying amounts of the asset and is recognized in the income statement.

**(d) Impairment**

The carrying amount of the Institute's assets is reviewed at each balance sheet date as to whether there is any indication that an asset may be impaired. Whenever the carrying amount or the cash-generating unit of an asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

A cash-generating unit [CGU] is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the greater of the asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For the purpose of impairment testing, recoverable amount is determined on an individual basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such a case, recoverable amount is determined for the CGU to which the asset belongs to.

An impairment loss for an asset is reversed if, and only if has been a change in the estimates used to determine the recoverable amount since the last impairment loss has been recognized. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined [net of depreciation or amortization], had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset is recognized in the profit and loss unless the asset is carried at revalued amount where in such a case is treated as a revaluation increase.

**(e) Financial Assets And Liabilities**

Financial assets are recognized on the balance sheet when the Institute becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognized at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On de-recognition 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 has been recognized directly in equity is recognized in the statement of profit and loss.

All regular way purchases and sales of financial assets are recognized and derecognized on trade date basis where the purchase or sale of assets are under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

Financial liabilities include trade creditors, other amounts of payables, payables to related parties and interest bearing loans and borrowings. Financial liabilities are recognized in the balance sheet when, and only when, the Institute becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognized when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized, and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the income statement.

**(f) Other Receivables**

Receivables from others are recognized and carried at cost less impairment losses on any uncollectible amounts.

**(g) Cash And Cash Equivalents**

Cash and cash equivalents consist of cash on hand, balances with banks, fixed deposits.

**(h) Other Payables**

Liabilities for other amounts payable are carried at amortized cost. Interest bearing liabilities are recorded at fair value and are subsequently stated at amortized cost. Any difference between the cost and redemption value is taken to the profit and loss over the period of the borrowings using the effective interest method.

**(i) Income Recognition**

Income from donation and grants are accounted on receipt basis.

Income from AEP, performance and course conducted are accounted by reference to completion of the specific transaction assessed on the basis of the approximation of actual service provided at the balance sheet date.

Interest income is recognized on accrued receivable basis.

**(j) Employee Benefits**

Contributions to defined contribution plans as defined by the laws of Singapore in which the Institute operates are recognized as an expense in the profit and loss account as incurred.

Employee entitlements to annual leave are recognized when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

**(k) Operating Lease**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

**(l) Income Tax**

No provision for taxation is made as the Institute is registered as a charitable institution under the Charities Act Cap. 37.

**4. Donation**

Donation from operation amounting to S\$95,200 <2015 : S\$25,000> are tax deductible.

**THE CHINESE OPERA INSTITUTE**

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**NOTES TO THE ACCOUNTS**

31 March 2016

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**5. Grants**

Included under grants are :-

	<u>2016</u>	<u>2015</u>
	\$	\$
SG 50 Fund	32,964	-
Cultural Matching Fund	25,000	-
CORD Fund Grant	52,550	-

**6. Other Income**

Included under other income are :-

	<u>2016</u>	<u>2015</u>
	\$	\$
Special Employment Credit	1,177	960

**7. Staff Costs**

Included under staff costs [including key management] are :-

	<u>2016</u>	<u>2015</u>
	\$	\$
Salaries - Staff	86,543	126,881
Other Costs	2,172	4,810
Central Provident Fund	11,893	15,096
	<u>100,608</u>	<u>146,787</u>

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**NOTES TO THE ACCOUNTS**

31 March 2016

**8. Other Operating Expenses**

Included under other operating expenses are :-

	<u>2016</u>	<u>2015</u>
	\$	\$
Rental And Management Fees	21,508	22,048

**9. Plant And Equipment**

<u>2016</u>	<u>Cost @ 01.04.15</u>	<u>Additions/ (Disposal)</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Current Depreciation</u>
	\$	\$	\$	\$	\$
Computer	58,290	1,667	58,874	1,083	2,933
Furniture And Fittings	38,975	-	38,584	391	715
Office Equipment	55,703	1,950	54,485	3,168	1,430
Opera Costumes, Instruments And Equipment	107,914	-	103,194	4,720	6,430
Reference Books	6,070	-	6,070	-	-
Renovation	22,631	-	13,578	9,053	4,526
	<u>289,583</u>	<u>3,617</u>	<u>274,785</u>	<u>18,415</u>	<u>16,034</u>
<u>2015</u>	<u>Cost @ 01.04.14</u>	<u>Additions/ (Disposal)</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Current Depreciation</u>
	\$	\$	\$	\$	\$
Computer	58,290	-	55,941	2,349	2,600
Furniture And Fittings	38,975	-	37,869	1,106	738
Office Equipment	54,612	1,091	53,055	2,648	1,009
Opera Costumes, Instruments And Equipment	107,914	-	96,764	11,150	6,429
Reference Books	6,070	-	6,070	-	26
Renovation	22,631	-	9,052	13,579	4,526
	<u>288,492</u>	<u>1,091</u>	<u>258,751</u>	<u>30,832</u>	<u>15,328</u>



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**NOTES TO THE ACCOUNTS**

31 March 2016

Cash flow analysis of the Institute's capital expenditure as follows :-

	<u>2016</u>	<u>2015</u>
	\$	\$
Acquisition By Cash Payments	<u>3,617</u>	<u>1,091</u>
 <b>10. Other Receivables</b>		
	<u>2016</u>	<u>2015</u>
	\$	\$
Advance Deposit	-	10,000
Deposits	1,477	1,378
Fees Receivable	984	9,710
Interest Receivable	-	346
Other Debtors	24,994	-
Prepayments	<u>1,879</u>	<u>1,853</u>
	<u>29,334</u>	<u>23,287</u>
 <b>11. Other Payables</b>		
	<u>2016</u>	<u>2015</u>
	\$	\$
Advance Receipt	-	7,820
Amount Owing To A Director	-	6,000
Accruals	<u>5,688</u>	<u>9,384</u>
	<u>5,688</u>	<u>23,204</u>

The amount owing to a director is unsecured, interest free and has no fixed terms of repayment.

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**NOTES TO THE ACCOUNTS**

31 March 2016

**12. Lease Commitments**

The Institute was committed to making future minimum lease payments in respect of operating lease agreements contracted for at the balance sheet date with term of one year :-

	<u>2016</u>	<u>2015</u>
	\$	\$
Lease Payments Payable :-		
- Within One Year	21,613	18,155
- One Year But Not More Than Five Years	<u>9,006</u>	<u>-</u>
	<u>30,619</u>	<u>18,155</u>

**13. Financial Risk Management Objectives And Policies**

The Institute's activities expose it to market risk [including interest rate risk], credit risk and liquidity risk. The Institute's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the Institute's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Institute. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Institute's activities.

There has been no change to the Institute's exposure to these financial risks or the manner in which they manage and measure the risk.

Categories Of Financial Instruments

	<u>2016</u>	<u>2015</u>
	\$	\$
<i>Financial Assets</i>		
Other Receivables	27,455	23,287
Cash And Cash Equivalents	<u>1,012,112</u>	<u>996,569</u>
	<u>1,039,567</u>	<u>1,019,856</u>
<i>Financial Liabilities</i>		
Other Payables	<u>5,688</u>	<u>23,204</u>

**THE CHINESE OPERA INSTITUTE**

- Co. Reg. No. 199504600N

(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

**NOTES TO THE ACCOUNTS**

31 March 2016

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**Financial Risks Management**

The Institute's risk management seeks to minimize the potential adverse effects from these exposures. The Institute does not hold any derivation financial instruments for speculative purposes. The management reviews and agrees policies for managing each of these risks and they are summarized below.

**(a) Market Risk*****Interest Rate Risk***

Interest rate risk is the risk that the fair value of future cash flows of the Institute's financial instruments will fluctuate due to changes in market interest rates.

The Institute is exposed to interest rate risk arises relate primarily to the interest-earning financial assets.

The Institute's policy is to obtain competitive interest rates at the most favourable terms and conditions available for the financial assets.

Maturity of financial instruments exposed to interest rate risk :-

	<u>2016</u>	<u>2015</u>
	\$	\$
<i>Within One Year - Floating Rates</i>		
Fixed Deposits	<u>138,433</u>	<u>137,758</u>

Interest in financial instruments subject to floating interest rates is re-price regularly where financial instruments at fixed rates are fixed until the maturity of the instruments. Other financial instruments that are not included in the above table are not subject to interest rate risks.

***Sensitivity Analysis For Interest Rate Risk***

A change in the market interest rate of 50 basis points higher or lower with no change to other variables, the annual interest income of the Institute would be higher or lower by S\$692 <2015 : S\$689>.

**(b) Credit Risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Institute as and when they fall due.

Fixed deposits and bank balances are placed with reputable banks.

The Institute's maximum exposure to credit risk in relation to each class of recognized financial assets is the carrying amount of those assets as indicated in the balance sheet. At the end of the financial year, there was no significant concentration of credit risk to the Institute.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Institute will encounter difficulty in meeting financial obligations due to shortage of funds. The Institute's exposure to liquidity arises primarily from the timing of the maturities of financial assets and liabilities.

In the management of liquidity risk, the Institute monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Institute's operations and mitigate the effects of fluctuations in cash flows.

At the balance sheet date, all of the Institute's financial liabilities have a maturity of less than one year.

The Institute does not have any significant liquidity risk exposure.

**14. Fair Values**

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

**Other Financial Assets And Liabilities**

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

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**DETAILED INCOME ACCOUNT**

for the year ended 31 March 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>GENERAL FUND</b>		
INCOME		
- AEP	8,884	19,880
- Courses	5,070	6,125
- Donation	99,200	34,989
- Events Collections	9,250	10,460
- Fixed Deposit Interest	330	738
- Grants	110,514	-
- NAC Subsidy	202,430	202,472
- Performance Fee	2,820	2,760
- Sundry	14,225	7,694
- Special Employment Credit	<u>1,177</u>	<u>960</u>
	<u>453,900</u>	<u>286,078</u>
LESS Expenditures As Per Schedule	( <u>357,621</u> )	( <u>274,724</u> )
 SURPLUS FOR THE YEAR	 <u><u>96,279</u></u>	 <u><u>11,354</u></u>
 <b>CORD FUND</b>		
EXPENDITURES		
Bank Charges	40	95
Grants	63,550	16,489
Management Fee	<u>6,000</u>	<u>-</u>
 DEFICIT FOR THE YEAR	 <u><u>69,590</u></u>	 <u><u>16,584</u></u>

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**DETAILED EXPENDITURE ACCOUNT**

for the year ended 31 March 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
Accommodation	2,000	-
Accountancy Fee	300	-
Advertising And Publicity Expenses	357	417
Auditors' Remuneration	2,400	1,500
Bank Charges	204	452
Central Provident Fund	11,893	15,096
Depreciation	16,034	15,328
Entertainment, Gifts And Souvenir	1,367	3,509
Events Expenses	108,251	29,529
FWL Contributions	1,252	3,661
General Expenses	-	253
Instructors' Fee	5,740	2,465
Insurance	467	716
Medical Fee	642	675
Membership And Subscription Fees	-	12
Magazine	172	123
Office Maintenance	424	80
Open House Expenses	567	-
Performance Expenses	4,092	11,723
Postage	-	295
Printing And Stationery	1,430	398
Professional Fee	2,929	2,800
Rental And Management Fee	21,508	22,048
Rental Of Equipment / Stage	17,655	28,997
Rental Of Office Equipment	2,192	2,555
Salaries	86,543	126,881
SG 50 Event Expenses	62,528	-
Skill Development Levy	180	298
Staff Training	98	96
Staff Welfare	-	80
Stamp Duty	278	-
Telephone, Internet And Website Charges	3,462	2,269
Transport And Travelling Expenses	934	98
Water And Electricity	1,722	2,370
	<u>357,621</u>	<u>274,724</u>

The above statements do not form part of the audited statutory accounts of the institute.

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