

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 2017

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 2017.

Opinion Of The Directors

In the opinion of the directors,

- (a) the financial statements of the Institute as set out on pages 4 to 19 are drawn up so as to give a true and fair view of the financial position of the Institute as at 31 MARCH 2017, 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
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

KANG GIM SENG

SINGAPORE : 24TH AUGUST 2017

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of THE CHINESE OPERA INSTITUTE [the Company], which comprise the statement of financial position as at 31 MARCH 2017 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 4 to 19.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 [the Companies Act], the Charities Act, Chapter 37 and other relevant regulations [the Charities Act and Regulations] and Financial Reporting Standards in Singapore [FRSs] so as to give a true and fair view of the financial position of the Charity as at 31 MARCH 2017 and of the financial performance, changes in the funds and cash flows of the Charity 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 [or another title if appropriate such as "Information other than the Financial Statements and Auditor's Report Thereon"]

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on page 1].

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 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 unauthorized use or disposition; and transactions are properly authorized 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.
- 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 the directors 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 to be kept by the Charity have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

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

- (a) the Charity 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 Charity has not complied with the requirements of Regulation 15 of the Charities [Institutions of a Public Character] Regulations.


S C TEO & CO
Public Accountants And
Chartered Accountants
Singapore

Dated : 24TH AUGUST 2017

THE CHINESE OPERA INSTITUTE

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STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2017

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
GENERAL FUND			
INCOME			
Art Education Programme		10,760	8,884
Course Fee		1,762	5,070
Donation	4	100,200	99,200
Grants	5	143,507	110,514
Interest Income		834	330
NAC Subsidy	(73,528)	202,430
Performance Fee		8,500	2,820
Other Income	6	<u>49,254</u>	<u>24,652</u>
<i>Total Income</i>		<u>241,289</u>	<u>453,900</u>
COST AND EXPENSES			
Depreciation Of Plant And Equipment		11,384	16,034
Salaries And Employees' Benefits	7	80,949	100,608
Other Operating Expenses	8	<u>81,174</u>	<u>240,979</u>
<i>Total Cost And Expenses</i>		<u>173,507</u>	<u>357,621</u>
NET SURPLUS FOR THE YEAR		<u>67,782</u>	<u>96,279</u>
CORD FUND			
EXPENDITURES			
Grants		75,666	63,550
Other Operating Expenses		<u>36,040</u>	<u>6,040</u>
<i>Total Cost And Expenses</i>		<u>111,706</u>	<u>69,590</u>
NET (DEFICIT) / SURPLUS REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(<u>43,924)</u>	<u>26,689</u>

The annexed notes form an integral part of and should be read in conjunction with these accounts.

Page 4

THE CHINESE OPERA INSTITUTE

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<Company Limited By Guarantee>

STATEMENT OF FINANCIAL POSITION

as at 31 March 2017

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Assets			
Non-Current Assets			
Plant And Equipment - Net	9	<u>9,801</u>	<u>18,415</u>
Current Assets			
Other Receivables	10	8,896	29,334
Fixed Deposits		557,767	138,433
Cash And Bank Balances		<u>436,953</u>	<u>873,679</u>
Total Current Assets		<u>1,003,616</u>	<u>1,041,446</u>
Total Assets		<u><u>1,013,417</u></u>	<u><u>1,059,861</u></u>
Equity And Liabilities			
Equity			
Accumulated Fund		271,129	203,347
Endowment Fund		100,000	100,000
Singapore Chinese Opera Research And Development Fund		<u>639,120</u>	<u>750,826</u>
Total Equity		<u>1,010,249</u>	<u>1,054,173</u>
Current Liabilities			
Other Payables	11	<u>3,168</u>	<u>5,688</u>
Total Equity And Liabilities		<u><u>1,013,417</u></u>	<u><u>1,059,861</u></u>

The annexed notes form an integral part of and should be read in conjunction with these accounts.

THE CHINESE OPERA INSTITUTE

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<Company Limited By Guarantee>

STATEMENT OF CHANGES IN FUNDS

for the year ended 31 March 2017

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
ENDOWMENT FUND			
Balance As At Beginning / End Of The Year		<u>100,000</u>	<u>100,000</u>
ACCUMULATED FUND			
Balance As At The Beginning Of The Year		203,347	107,068
Total Comprehensive Income For The Year		<u>67,782</u>	<u>96,279</u>
Balance As At The End Of The Year		<u>271,129</u>	<u>203,347</u>
SINGAPORE CHINESE OPERA			
RESEARCH AND DEVELOPMENT FUND	4		
Balance As At The Beginning Of The Year		750,826	820,416
Movement During The Year		(<u>111,706</u>)	(<u>69,590</u>)
Balance As At The End Of The Year		<u>639,120</u>	<u>750,826</u>

The annexed notes form an integral part of and should be read in conjunction with these accounts.

STATEMENT OF CASH FLOW
for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash Flows From Operating Activities		
(Deficit) / Surplus For The Year	(43,924)	26,689
<i>Adjustments For :-</i>		
Depreciation Of Plant And Equipment	11,384	16,034
Interest Income	(834)	(330)
<i>Operating (Deficit) / Surplus Before Working Capital Changes</i>	(33,374)	42,393
Changes In Working Capital		
Receivables	20,438	(6,047)
Payables	(2,520)	(17,516)
Net Cash (Used In) / From Operating Activities	(15,456)	18,830
Cash Flows From Investing Activities		
Purchase Of Plant And Equipment	(2,770)	(3,617)
Interest Received	834	330
Net Cash Used In Investing Activities	(1,936)	(3,287)
Cash Flows From Financing Activities		
Net Cash From Financing Activities	-	-
Net (Decrease) / Increase In Cash And Cash Equivalents	(17,392)	15,543
Cash And Cash Equivalents At Beginning Of The Year	<u>1,012,112</u>	<u>996,569</u>
Cash And Cash Equivalents At End Of The Year	<u><u>994,720</u></u>	<u><u>1,012,112</u></u>

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

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NOTES TO THE ACCOUNTS

31 March 2017

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 2017 were authorized for issue in accordance with a resolution of the directors on 24 August 2017.

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 January 2016.

FRS 1 [Amendment] – Disclosure Initiative

FRS 16 And FRS 38 [Amendment]

– Clarification Of Acceptable Methods Of Depreciation And Amortization

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 2018

FRS 109 – Financial Instruments

FRS 115 – Revenue From Contracts With Customers

FRS 115 will replace 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.

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 :-

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NOTES TO THE ACCOUNTS

31 March 2017

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\$98,900 <2016 : S\$95,200> are tax deductible.

5. Grants

Included under grants are :-

	<u>2017</u>	<u>2016</u>
	\$	\$
SG 50 Fund	-	32,964
Cultural Matching Fund	133,100	25,000
CORD Fund Grant	10,407	52,550

6. Other Income

Included under other income are :-

	<u>2017</u>	<u>2016</u>
	\$	\$
CORD Management Fee	36,000	6,000
Special Employment Credit	1,057	1,177

7. Staff Costs

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Salaries - Staff	69,732	86,543
Other Costs	254	2,172
Central Provident Fund	10,963	11,893
	<u>80,949</u>	<u>100,608</u>

8. Other Operating Expenses

Included under other operating expenses are :-

	<u>2017</u>	<u>2016</u>
	\$	\$
Rental And Management Fees	21,613	21,508

9. Plant And Equipment

<u>2017</u>	<u>Cost @ 01.04.16</u>	<u>Additions/ (Disposal)</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Current Depreciation</u>
	\$	\$	\$	\$	\$
Computer	59,957	2,096	59,376	2,677	502
Furniture					
And Fittings	38,975	-	38,736	239	152
Office Equipment	57,653	-	55,833	1,820	1,348
Opera Costumes, Instruments And Equipment	107,914	674	108,049	539	4,855
Reference Books	6,070	-	6,070	-	-
Renovation	22,631	-	18,105	4,526	4,527
	<u>293,200</u>	<u>2,770</u>	<u>286,169</u>	<u>9,801</u>	<u>11,384</u>
<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>

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Acquisition By Cash Payments	<u>2,770</u>	<u>3,617</u>

10. Other Receivables

	<u>2017</u>	<u>2016</u>
	\$	\$
Deposits	1,597	1,477
Fees Receivable	1,498	984
Other Debtors	-	24,994
Prepayments	<u>5,801</u>	<u>1,879</u>
	<u>8,896</u>	<u>29,334</u>

11. Other Payables

	<u>2017</u>	<u>2016</u>
	\$	\$
Accruals	<u>3,168</u>	<u>5,688</u>

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>2017</u>	<u>2016</u>
	\$	\$
Lease Payments Payable :-		
- Within One Year	9,006	21,613
- One Year But Not More Than Five Years	<u>-</u>	<u>9,006</u>
	<u>9,006</u>	<u>30,619</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>2017</u>	<u>2016</u>
	\$	\$
<i>Financial Assets</i>		
Other Receivables	3,095	27,455
Cash And Cash Equivalents	<u>994,720</u>	<u>1,012,112</u>
	<u>997,815</u>	<u>1,039,567</u>
<i>Financial Liabilities</i>		
Other Payables	<u>3,168</u>	<u>5,688</u>

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>2017</u>	<u>2016</u>
	\$	\$
<i>Within One Year - Floating Rates</i>		
Fixed Deposits	<u>557,767</u>	<u>138,433</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\$2,789 <2016 : S\$692>.

(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 are 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.

THE CHINESE OPERA INSTITUTE

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(Incorporated in the Republic of Singapore)

<Company Limited By Guarantee>

NOTES TO THE ACCOUNTS

31 March 2017

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.

THE CHINESE OPERA INSTITUTE

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<Company Limited By Guarantee>

DETAILED INCOME ACCOUNT

for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
GENERAL FUND		
INCOME		
- AEP	10,760	8,884
- CORD Management Fee	36,000	6,000
- Courses	1,762	5,070
- Donation	100,200	99,200
- Events Collections	-	9,250
- Fixed Deposit Interest	834	330
- Grants	143,507	110,514
- NAC Subsidy	(73,528)	202,430
- Performance Fee	8,500	2,820
- Sundry	12,197	8,225
- Special Employment Credit	<u>1,057</u>	<u>1,177</u>
	<u>241,289</u>	<u>453,900</u>
 LESS Expenditures As Per Schedule	 (<u>173,507</u>)	 (<u>357,621</u>)
 SURPLUS FOR THE YEAR	 <u><u>67,782</u></u>	 <u><u>96,279</u></u>
 CORD FUND		
EXPENDITURES		
Bank Charges	40	40
Grants	75,666	63,550
Management Fee	<u>36,000</u>	<u>6,000</u>
 DEFICIT FOR THE YEAR	 (<u><u>111,706</u></u>)	 (<u><u>69,590</u></u>)

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

THE CHINESE OPERA INSTITUTE

- Co. Reg. No. 199504600N

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DETAILED EXPENDITURE ACCOUNT

for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
Accommodation	-	2,000
Accountancy Fee	735	300
Advertising And Publicity Expenses	-	357
Auditors' Remuneration	2,400	2,400
Bank Charges	134	204
Central Provident Fund	10,963	11,893
Depreciation	11,384	16,034
Entertainment, Gifts And Souvenir	5,203	1,367
Events Expenses	27,043	108,251
FWL Contributions	-	1,252
General Expenses	60	-
Instructors' Fee	3,296	5,740
Insurance	595	467
Magazine	-	172
Medical Fee	103	642
Office Maintenance	668	424
Open House Expenses	-	567
Performance Expenses	7,088	4,092
Postage	80	-
Printing And Stationery	2,702	1,430
Professional Fee	769	2,929
Rental And Management Fee	21,613	21,508
Rental Of Equipment / Stage	-	17,655
Rental Of Office Equipment	2,375	2,192
Salaries	69,732	86,543
SG 50 Event Expenses	-	62,528
Skill Development Levy	151	180
Staff Training	-	98
Stamp Duty	-	278
Telephone, Internet And Website Charges	3,518	3,462
Transport And Travelling Expenses	491	934
Water And Electricity	2,404	1,722
	<u>173,507</u>	<u>357,621</u>

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