Singapore Discovery Centre Ltd
(A company limited by guarantee and not having a share capital)

Registration Number: 199307558M
(Registered under the Singapore Charities Act, Chapter 37)

Annual Report
Year ended 31 March 2020

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2020.

In our opinion:

(a) the financial statements set out on pages FS1 to FS35 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Charities Act, Chapter 37, and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Chan Kit Ee	
Chia Tze Yee	
Goh Jerica	(Appointed on 22 July 2019)
Jeffrey Seah Ting Han	
Ken Cheong Kwok Chien	(Appointed on 28 May 2019)
Lim Han Yong	(Appointed on 18 October 2019)
Melvin Kwek Lian Seng	
Ng Kin Yi	
Puvanaratnam S/O Ariaratnam	
Tan Boon Kiat	(Appointed on 1 November 2019)
Teo Eng Dih	(Appointed on 1 September 2019)
Tong Yee (Tang Yi)	

Directors' interests

As the Company is limited by guarantee and has no share capital, no director who held office at the end of the financial year had interests in the capital of the Company either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), no director who held office at the end of the financial year (including those held by their spouses and infant children) had interests in shares or debentures of related corporations, either at the beginning, or date of appointment of later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Teo Eng Dih
Director

Tan Boon Kiat
Director

30 July 2020

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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Independent auditors' report

Members of the Company
Singapore Discovery Centre Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Discovery Centre Ltd ('the Company'), which comprise the statement of financial position as at 31 March 2020, the statement of comprehensive income, statement of changes in equity 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 FS1 to FS35.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act'), the Singapore Charities Act, Chapter 37 ('the Charities Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' statement prior to the date of this auditors' report.

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

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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 unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' 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 auditors' 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 controls.

- Obtain an understanding of internal controls 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 controls.

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- 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 auditors' 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 auditors' 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 controls that we identify during our audit.

Report on other legal and regulatory requirements

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

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KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 July 2020

Statement of financial position
As at 31 March 2020

	Note	2020 $	2019 $
Non-current asset			
Property, plant and equipment	4	5,190,232	1,820,011
Current assets			
Inventories - merchandise		–	14,935
Trade and other receivables	5	629,561	268,239
Cash and cash equivalents	6	4,952,299	6,768,709
		5,581,860	7,051,883
Total assets		10,772,092	8,871,894
Total equity		–	–
Non-current liabilities			
Deferred capital grants	8	3,599,039	1,295,102
Lease liabilities	7	6,467	–
Trade and other payables	10	–	1,500
		3,605,506	1,296,602
Current liabilities			
Deferred capital grants	8	767,813	524,910
Grants received in advance	9	1,259,716	4,108,860
Lease liabilities	7	15,194	–
Trade and other payables	10	5,123,863	2,941,522
		7,166,586	7,575,292
Total liabilities		10,772,092	8,871,894
Total equity and liabilities		10,772,092	8,871,894

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

Statement of comprehensive income
Year ended 31 March 2020

	Note	2020 $	2019 $
Income			
Revenue	11	1,030,046	1,160,920
Other income	12	123,210	204,789
		1,153,256	1,365,709
Expenditure			
Cost of inventories		(10,337)	(12,432)
Employee compensation	13	(7,579,189)	(7,752,286)
Other operating expenses	13	(7,700,644)	(7,655,046)
Interest expense	15	(21,827)	–
		(15,311,997)	(15,419,764)
Deficit for the year before grants		(14,158,741)	(14,054,055)
Grants			
Operating grants utilised	9	11,570,522	13,314,193
Rental grant utilised	10	1,790,100	–
Assets written off/disposed under deferred capital grants	8	68,641	10,832
Deferred capital grants amortised	8	729,478	729,030
		14,158,741	14,054,055
Net surplus for the year, representing total comprehensive income for the year		–	–

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

Statement of changes in equity
Year ended 31 March 2020

	Equity $
2020	
Balance at beginning and end of financial year	–
2019	
Balance at beginning and end of financial year	–

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

Statement of cash flows
Year ended 31 March 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Deficit for the year before grants		(14,158,741)	(14,054,055)
Adjustments for:			
Interest income	12	(15,936)	(28,028)
Interest expense	15	21,827	–
Impairment losses on inventory	13	10,067	–
Depreciation expense	13	2,348,622	729,030
Loss on disposal/write-off of property, plant and equipment	13	56,555	10,607
		(11,737,606)	(13,342,446)
Changes in working capital:			
Inventories		4,868	(2,131)
Trade and other receivables		61,725	269,075
Trade and other payables		(285,679)	82,544
Cash used in operations		(11,956,692)	(12,992,958)
Interest received		40,163	4,875
Net cash used in operating activities		(11,916,529)	(12,988,083)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,962,668)	(540,227)
Proceeds from disposal of property, plant and equipment		12,086	226
Net cash used in investing activities		(1,950,582)	(540,001)
Cash flows from financing activities			
Interest expense		(891)	–
Payment of lease liabilities		(14,745)	–
Release of pledge on fixed deposits		–	379,600
Grants received	9	12,066,337	14,937,098
Net cash generated from financing activities		12,050,701	15,316,698
Net (decrease)/increase in cash and cash equivalents		(1,816,410)	1,788,614
Cash and cash equivalents at beginning of financial year		6,768,709	4,980,095
Cash and cash equivalents at end of financial year	6	4,952,299	6,768,709

Significant non-cash transactions

At 1 April 2019, the Company recognised a lease liability of $2,406,119 on its land and building (note 2.5) of which has been offset against a corresponding rental grant receivables of $2,406,119.

During the year, the Company has offset an interest expense of $20,936 against the rental grant receivables of $20,936.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 July 2020.

1 Domicile and activities

Singapore Discovery Centre Ltd (the Company) is incorporated in the Republic of Singapore as a company limited by guarantee. As at 31 March 2020, the Company has 3 (2019: 3) members with each member's liability limited to $1 (2019: $1).

The address of the Company's registered office is 510 Upper Jurong Road, Singapore 638365.

The principal activity of the Company is to operate an edutainment attraction.

2 Basis of preparation

2.1 Statement of compliance

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

This is the first set of the Company's annual financial statements in which FRS 116 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

(a) Note 4 - Useful lives of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives to be between 3 to 10 years, based on the estimated useful lives for similar property, plant and equipment in the same industry. These estimates can change significantly as a result of expected usage or abandonment and technological innovations, leading to potential changes in future depreciation charges, impairment losses and/or write-offs.

2.5 Changes in accounting policies

The Company has applied the following FRSs, interpretations and amendments to FRSs for the annual period beginning on 1 April 2019:

- FRS 116 *Leases*;
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109);
- *Plan Amendment, Curtailment or Settlement* (Amendments to FRS 19)

Other than FRS 116, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

FRS 116 Leases

The Company applied FRS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under FRS 104 *Determining whether an Arrangement contains a Lease.* The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained by FRS 116.

On transition to FRS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lese under FRS 116 was applied only to contracts entered into or changed on after 1 April 2019.

As a lessee

As a lessee, the Company leases many assets including property and office equipment. The Company previously classified leases as operating or finance leases based on its assessment whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company . Under FRS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocated the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under FRS 17

Previously, the Company classified property leases as operating leases under FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

As a lessor

The Company leases out its right-of-use assets as retail space to non-related parties. The Company has classified these leases as operating leases.

The Company is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor.

The Company sub-leases some of its properties. Under FRS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to FRS 116, the right-of-use assets recognised from the head leases are presented as Land and Building, and measured at fair value at that date. The Company assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under FRS 116.

The Company has applied FRS 115 *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Impact on financial statements

Impact on transition

On transition to FRS 116, the Company recognised additional right-of-use assets, including investment property, and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	1 April 2019 $
Right-of-use assets – property, plant and equipment	2,442,525
Lease liabilities	(2,442,525)
Offset against rental grant receivables	2,406,119
	(36,406)
Retained earnings	–

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 1.27 %.

The Company receives rental grant from the Ministry of Defence, which will be offset against the lease liabilities. At 1 April 2019, the Company recognised the lease liability on its land and building. The corresponding rental grant receivable of the same amount was being offset against the lease liability.

	1 April 2019 $
Operating lease commitments at 31 March 2019 as disclosed under FRS 17 in the Company's financial statements	2,467,787
Discounted using the incremental borrowing rate at 1 April 2019	2,442,525
Offset against rental grant receivables	(2,406,119)
Lease liabilities recognised at 1 April 2019	36,406

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5 which addresses the change in accounting policies.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit of loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the respective financial assets and the operation of those policies in practice;

- how the performance of the respective financial assets is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model and how those risks are managed; and

- the frequency, volume and timing of disposals of financial assets in prior periods, the reasons for such disposals and its expectations about future activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

The Company initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

Other financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. These financial liabilities comprise trade and other payables.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the transferred asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

3.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Work-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use.

The estimated useful lives for the current and comparative years are as follows:

• Exhibits	3 to 10 years
• Furniture and fittings	8 to 15 years
• Office equipment	5 years
• Computer, software and IT related equipment	3 to 5 years
• Motor vehicles	10 years
• Renovation	5 years
• Facility and audio video equipment	5 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.3 Inventories

Inventories comprise merchandise for sale and are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.4 Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, if no impairment loss had been recognised.

3.5 Leases

The Company has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 April 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies FRS 115 to allocate the consideration in the contract.

The Company recognises lease payments received from land and building under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from FRS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Leases - Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from land and building is recognised as "revenue" on a straight-line basis over the term of the lease.

3.6 Revenue

Revenue from goods sold and services rendered in the ordinary course of business is recognised when the Company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. Revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO on the basis of the relative stand-alone selling prices of the promised goods or services and excludes goods and services or other sales taxes. Trade discounts or variable considerations are allocated to one or more, but not all, of the POs if they relate specifically to those POs.

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled to in exchange for transferring the promised goods or services. The transaction price may be fixed or variable, and is adjusted for time value of money if the contract includes a significant financing component. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Ticket and retail sales

Revenue is recognised at a point in time following the satisfaction of the PO, which is upon the sale of tickets and retail goods.

Membership fees

Membership fees are recognised over time following the satisfaction of the PO. Revenue is recognised based on the period of the membership, reflecting the progress towards the complete satisfaction of the PO.

Management fee, education programmes and events income

Management fee, education programmes and events income are recognised over time following the satisfaction of the PO. Revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of the PO, being when the services are rendered.

Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

Contract liabilities

A contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are presented as "Deferred income" in the financial statements.

Revenues from the membership fees are recognised ratably over the period of the membership. At each reporting date, the unamortised portion of income received in respect of membership fees is recognised as deferred income.

3.7 Government grants

Grants related to expenditure

Grants from the Ministry of Defence and other government grants are recognised at their fair value when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.

Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

Grants related to assets

Government grants utilised for the purchase of depreciable assets are recorded in the deferred capital grants account (shown as liability on the balance sheet).

Deferred capital grants are recognised in profit or loss over the periods necessary to match the depreciation of the items of property, plant and equipment purchased with the related grants.

On the disposal of the items of property, plant and equipment, the balance of the related deferred capital grants is recognised in profit or loss to match the net book value of the assets disposed.

3.8 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when the contributions are due.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue 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.

3.9 Interest income and interest expense

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount if the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets, that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired. Then the calculation of interest income reverts to the gross basis.

3.10 Tax

The Company is registered as a charity under the Singapore Charities Act. With effect from Year of Assessment 2008, all registered charities will enjoy automatic income tax exemption and the Company is exempted from filing income tax returns.

3.11 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however the Company has not early adopted the new or amended standards and interpretations in preparing the financial statements.

The following new FRS(s), interpretations and amendments to FRSs are not expected to have a significant impact on the Company's financial statements.

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 3)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *FRS 17 Insurance Contracts*

4 Property, plant and equipment

	Land and Building $	Exhibits $	Furniture and fittings $	Office equipment $	Computer, Software and IT related equipment $	Motor vehicles $	Renovation $	Facility and audio video equipment $	Work-in-progress $	Total $
Cost										
At 1 April 2018	–	19,348,317	1,756,547	591,042	1,303,519	106,715	8,666,189	2,823,124	–	34,595,453
Reclassification	–	1,264,445	(1,319,176)	–	–	–	(767,573)	822,304	–	–
Additions	–	–	4,200	19,750	67,782	–	119,864	215,011	332,930	759,537
Write-off/Disposal	–	(774,260)	(7,265)	(6,052)	(192,426)	–	(1,748,948)	(120,475)	–	(2,849,426)
At 31 March 2019	–	19,838,502	434,306	604,740	1,178,875	106,715	6,269,532	3,739,964	332,930	32,505,564
Recognition of right-of-use asset on initial application of FRS 116	2,406,119	–	–	36,406	–	–	–	–	–	2,442,525
Adjusted balance at 1 April 2019	2,406,119	19,838,502	434,306	641,146	1,178,875	106,715	6,269,532	3,739,964	332,930	34,948,089
Reclassification	–	705,600	73,320	(219,209)	–	–	690,897	334,259	(1,584,867)	–
Additions	–	23,300	3,280	2,550	60,603	–	327,745	308,963	2,618,518	3,344,959
Write-off/Disposal	–	(1,917,170)	(247,813)	(25,972)	(28,712)	–	(443,878)	(11,464)	(10,402)	(2,685,411)
At 31 March 2020	2,406,119	18,650,232	263,093	398,515	1,210,766	106,715	6,844,296	4,371,722	1,356,179	35,607,637

	Land and Building $	Exhibits $	Furniture and fittings $	Office equipment $	Computer, Software and IT related equipment $	Motor vehicles $	Renovation $	Facility and audio video equipment $	Work-in-progress $	Total $
Accumulated depreciation										
At 1 April 2018	–	19,142,802	1,517,443	487,364	1,127,498	34,105	8,229,702	2,256,202	–	32,795,116
Depreciation for the year	–	106,553	70,327	40,619	81,917	9,054	193,840	226,720	–	729,030
Reclassification	–	1,264,434	(1,199,953)	–	–	–	(767,562)	703,081	–	–
Write-off/Disposal	–	(774,254)	(7,261)	(6,049)	(190,212)	–	(1,740,348)	(120,469)	–	(2,838,593)
At 31 March 2019	–	19,739,535	380,556	521,934	1,019,203	43,159	5,915,632	3,065,534	–	30,685,553
Recognition of right-of-use asset on initial application of FRS 116	–	–	–	–	–	–	–	–	–	–
Adjusted balance at 1 April 2019	–	19,739,535	380,556	521,934	1,019,203	43,159	5,915,632	3,065,534	–	30,685,553
Depreciation for the year	1,604,079	106,077	13,630	41,698	94,060	9,055	210,403	269,620	–	2,348,622
Reclassification	–	–	–	(212,591)	–	–	–	212,591	–	–
Write-off/Disposal	–	(1,899,557)	(223,948)	(22,823)	(27,886)	–	(431,095)	(11,461)	–	(2,616,770)
At 31 March 2020	1,604,079	17,946,055	170,238	328,218	1,085,377	52,214	5,694,940	3,536,284	–	30,417,405
Carrying amounts										
As at 1 April 2018	–	205,515	239,104	103,678	176,021	72,610	436,487	566,922	–	1,800,337
At 31 March 2019	–	98,967	53,750	82,806	159,672	63,556	353,900	674,430	332,930	1,820,011
At 31 March 2020	802,040	704,177	92,855	70,297	125,389	54,501	1,149,356	835,438	1,356,179	5,190,232

5 Trade and other receivables

	2020 $	2019 $
Trade receivables	24,354	102,916
Amount due from Ministry of Defence	1,618	402
Grant receivables	447,274	–
Interest receivable	–	24,227
Other receivables	41,817	47,480
Deposits	1,210	1,210
	516,273	176,235
Prepayments	113,288	92,004
	629,561	268,239

The amount due from Ministry of Defence is unsecured, interest-free and is repayable on demand.

Grant receivables pertain to grant income under the Job Support Scheme. This grant is deferred and will be recognised in profit or loss as 'other income' over the 9-months period until December 2020 in which the Company recognises salary costs for which the grant is intended to compensate.

Credit and market risks, and impairment losses

The Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in note 14.

6 Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	4,952,299	2,487,109
Fixed deposits	–	4,281,600
	4,952,299	6,768,709

7 Lease liabilities

	2020 $	2019 $
Non-current	6,467	–
Current	15,194	–
	21,661	–

Market and liquidity risks

Information about the Company's exposure to liquidity risk is included in note 14.

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate %	Year of maturity	2020 Face value $	2020 Carrying amount $
Lease liabilities	SGD	3	2022	22,151	21,661

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities $
Balance as at 1 April 2019	36,406
Changes from financing cash flows	
Interest paid	(891)
Payment of lease liabilities	(14,745)
Total changes from financing cash flows	(15,636)
Other changes	
Interest expense	21,827
Offset against deferred rental grant receivables	(20,936)
Total other changes	891
Balance as at 31 March 2020	21,661

8 Deferred capital grants

	Note	2020 $	2019 $
Beginning of financial year		1,820,012	1,800,337
Add: Transferred from grants received in advance	9	3,344,959	759,537
		5,164,971	2,559,874
Less: Amortisation of deferred capital grants		(729,478)	(729,030)
Less: Transfer to statement of comprehensive income for assets written off/disposed during the year		(68,641)	(10,832)
End of financial year		4,366,852	1,820,012

	2020 $	2019 $
Deferred capital grants represented by:		
Non-current portion	3,599,039	1,295,102
Current portion	767,813	524,910
	4,366,852	1,820,012

9 Grants received in advance

	Note	2020 $	2019 $
Beginning of financial year		4,108,860	3,245,492
Add: Grants received during the year		12,066,337	14,937,098
Less: Amount transferred to statement of comprehensive income		(11,570,522)	(13,314,193)
Less: Amount transferred to deferred capital grants	8	(3,344,959)	(759,537)
End of financial year		1,259,716	4,108,860

The operating grant received is based on the budget submitted and approved by the Ministry of Defence on an annual basis.

10 Trade and other payables

	2020 $	2019 $
Non-current		
Deposits payable	–	1,500
Current		
Trade payables	260,111	514,792
Accrued operating expenses	1,729,120	1,959,329
Accrual for acquisition of property, plant and equipment	1,601,601	219,310
Deposits payable	171,777	69,230
Deferred grants	1,257,274	–
Deferred income	98,886	119,921
Sundry creditors	5,094	15,041
Amount due to Ministry of Defence	–	43,899
	5,123,863	2,941,522
Total trade and other payables	5,123,863	2,943,022

Deferred income relates to unamortised portion of membership fees received in advance.

Included in deferred grant is grant of $447,274 under the Job Support Scheme. This grant is deferred and will be recognised in profit or loss as 'other income' in the next financial year ending 31 March 2021 for salary costs to be incurred by the Company for which the grant is intended to compensate.

Included in deferred grant is also an amount of deferred rental grant of $810,000 from Ministry of Defence which will be recognised as 'revenue' over the remaining lease term of the premise. During the year, $1,790,100 of grant on rental has been recognised as income during the year.

The amount due to Ministry of Defence was unsecured, interest-free and was fully repaid during the year.

11 Revenue

	2020	2019
	$	$
Ticket sales	125,685	137,335
Membership fees	130,787	108,577
Rental income	55,576	78,386
Retail sales	13,177	16,330
Education programmes and events income	704,821	820,292
	1,030,046	1,160,920

12 Other income

	2020	2019
	$	$
Interest income	15,936	28,027
Other operating income	9,604	62,778
Other grants	97,670	113,984
	123,210	204,789

Other grants comprise of Special Employment Credit, Temporary Employment Credit, Wage Credit Scheme and Absentee Payroll.

13 Employee compensation and other operating expenses

	2020 $	2019 $
Employee compensation		
Wages and salaries	6,604,331	6,687,795
Employer's contribution to Central Provident Fund	888,939	972,996
Other short-term benefits	85,919	91,495
	7,579,189	7,752,286
Other operating expenses		
Advertisement	111,614	177,660
Depreciation expense	2,348,622	729,030
Education programmes and events	1,178,236	1,376,862
Exhibitions	677,695	537,039
Film lease	294,310	341,234
GST	569,318	416,033
Impairment losses on inventory	10,067	–
Loss on write-off/disposal of property, plant and equipment	56,555	10,607
Maintenance and landscaping	782,163	696,555
Rental on operating lease	–	1,620,000
Security	299,300	275,700
Utilities	456,183	501,322
Others	916,581	973,004
	7,700,644	7,655,046

Remuneration of employees

In compliance with the Code of Corporate Governance for Charities and Institutions of a Public Character – Guideline 8.3, the annual remuneration of the Company's three highest paid staff who each received remuneration exceeding $100,000, in the following bands in the year are as follows:

Number of employees in bands	2020	2019
$100,000 to below $200,000	1	1
$200,000 to below $300,000	1	1
$400,000 to below $500,000	1	1

14 Financial instruments

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk refers to the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company assumes that credit risk of a financial asset has increased significantly when the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track records.

As the Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each financial asset in the statement of the financial position.

The maximum exposure of the Company's credit risk is the carrying amount of financial assets on the statement of financial position. The major classes of financial assets of the Company are trade and other receivables, and cash and bank deposits. The Company trades substantially with credit-worthy organisations such as government bodies and schools. Receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing with high credit rating counterparties.

Bank deposits are mainly deposits with banks with high credit-ratings as determined by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially government bodies and schools with a good collection track record with the Company.

Expected credit loss assessment for corporate and individual customers as at 31 March 2019 and 31 March 2020

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual and corporate customers, which comprise a very large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off based on actual credit loss experience over the last three years.

The age analysis of trade and other receivables (excluding prepayments) that were not impaired at the reporting date was:

	2020 $	2019 $
Not past due	506,776	172,584
Past due 1 - 30 days	9,497	3,651
	516,273	176,235

There were no allowance for impairment in respect of trade receivables recognised on 31 March 2019 and 31 March 2020.

Cash and cash equivalents

The Company held cash and cash equivalents of $4,952,299 at 31 March 2020 (2019: $6,768,709). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company maintains sufficient liquidity through a mix of internally-generated funds and government grants.

The Company regularly reviews its liquid reserves, comprising cash flows from its operations and government grants, to ensure liquidity is maintained at all times. The Company relies on the Ministry of Defence to fund a significant part of its operations. The framework for funding of the Company's operations is reviewed with the Ministry of Defence on a regular basis.

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount $	Contractual cash flows $	Within 1 year $	1-2 years $
31 March 2020				
Non-derivative financial liabilities				
Lease liabilities	21,661	(22,151)	(15,636)	(6,515)
Trade and other payables*	3,767,703	(3,767,703)	(3,767,703)	–
	3,789,364	(3,789,854)	(3,783,339)	(6,515)
31 March 2019				
Non-derivative financial liabilities				
Trade and other payables*	2,823,101	(2,823,101)	(2,821,601)	(1,500)

* *Excludes deferred grant and deferred income*

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to fixed deposits.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instrument is as follows:

	2020 $	2019 $
Fixed rate instrument		
Fixed deposits	–	4,281,600

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Determination of fair values

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

Accounting classifications and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Amortised cost $	Other financial liabilities $	Total carrying amount $	Fair value $
31 March 2020				
Financial assets not measured at fair value				
Trade and other receivables^	516,273	–	516,273	516,273
Cash and cash equivalents	4,952,299	–	4,952,299	4,952,299
	5,468,572	–	5,468,572	5,468,572
Financial liability not measured at fair value				
Trade and other payables*	–	(3,767,703)	(3,767,703)	(3,767,703)
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables^	176,235	–	176,235	176,235
Cash and cash equivalents	6,768,709	–	6,768,709	6,768,709
	6,944,944	–	6,944,944	6,944,944
Financial liability not measured at fair value				
Trade and other payables*	–	(2,823,101)	(2,823,101)	(2,823,101)

^ Excludes prepayments
* Excludes deferred grant and deferred income

Capital management

The Company obtains government grants from the Ministry of Defence to fund its operational and capital requirements. Expenditures are monitored through a budgetary control process. The Company managed its capital base in consideration of current economic conditions and its plans for the year in concern. The Company is not exposed to any external capital requirements.

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

15 Leases

Leases as lessee (FRS 116)

The Company leases premises and office equipment. The leases typically run for a period of 3 years. The office equipment can be renewed on a monthly basis after its expiry and there are are no option for renewal for the premise.

These leases were classified as operating leases under FRS 17 in the financial year ended 31 March 2019.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

	Land and buildings 2020 $	**Equipment 2020 $**	**Total 2020 $**
Balance at 1 April	2,406,119	36,406	2,442,525
Depreciation charge for the year	(1,604,079)	(15,065)	(1,619,144)
Balance at 31 March	802,040	21,341	823,381

Amounts recognised in profit or loss

	$
2020 – Leases under FRS 116	
Interest on lease liabilities	21,827
Income from operating lease presented in 'revenue'	(55,576)
2019 – Operating leases under FRS 17	
Lease expense	1,620,000
Operating lease income presented in 'revenue'	(78,386)

Amounts recognised in statement of cash flows

	2020 $
Total cash outflow for leases	15,636

Operating lease

As at 31 March 2020, the Company has terminated all operating lease agreements with its tenants.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2019
	$
2019 – Operating leases under FRS 17	
Not later than one year	34,696

16 Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Executive Director, Deputy Executive Director and Assistant Executive Director are considered as key management personnel of the Company.

Key management personnel compensation are as follows:

	2020	2019
	$	$
Wages and salaries and other short-term benefits	780,056	818,281
Employer's contribution to Central Provident Fund	34,921	43,707
	814,977	861,988

The Company receives services from the Board of Directors and no remuneration is paid for their services.

Other related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, there were the following related party transactions carried out on terms agreed between the parties:

	2020 $	2019 $
Sales and purchase of goods and services		
Ticket, membership and event income received/receivable from Ministry of Defence	(80,883)	(81,904)
Rental of premises paid/payable to Ministry of Defence	2,430,000	1,620,000
Utilities paid/payable to Ministry of Defence	484,427	534,233

17 Subsequent events

On 22 May 2020, the Company has approved the extension of valid memberships as at 1 April 2020 for another 12 months from the current month of expiry.