

SINGAPORE ART MUSEUM

16/17

YEAR IN REVIEW

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ABOUT SAM

The Singapore Art Museum focuses on international contemporary art practices, specialising in Singapore and Southeast Asia. Housed in a restored 19th century mission school, it opened its doors in 1996 as the first art museum in Singapore.

Also known as SAM, the museum is now a contemporary art museum with one of the world's most important public collections of Southeast Asian contemporary artworks, with a growing component in international contemporary art.



2016 - 2017 saw two major exhibitions presented by SAM, where art from Singapore and Southeast Asia was curated in dialogue with international art, in the lead up to the Singapore Biennale in 2016.

EXHIBITIONS

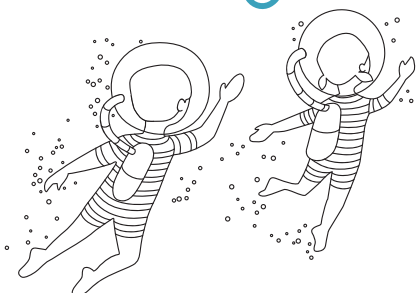
Yuree Kensaku's *Apex Predator* series,
Imaginarium, 2016.



Tan Zi Xi, *Plastic Ocean*, 2016

imaginarium

Over the Ocean, Under the Sea



The 2016 edition of *Imaginarium*, SAM's annual exhibition for the young and young-at-heart visitors, explored a maritime theme in *Over the Ocean, Under the Sea* with specially commissioned tactile and interactive artworks.



Choe U-Ram, *Una Lumino Callidus Spiritus*, Scientific name: *Anmopispl Averarium cirripedia Uram*, 2016

Odyssey

Navigating Nameless Seas

Odyssey: Navigating Nameless Seas

extended the exploration of the oceans through commissioned artworks, artist loans and works from the SAM collection.



SINGAPORE BIENNALE

2016

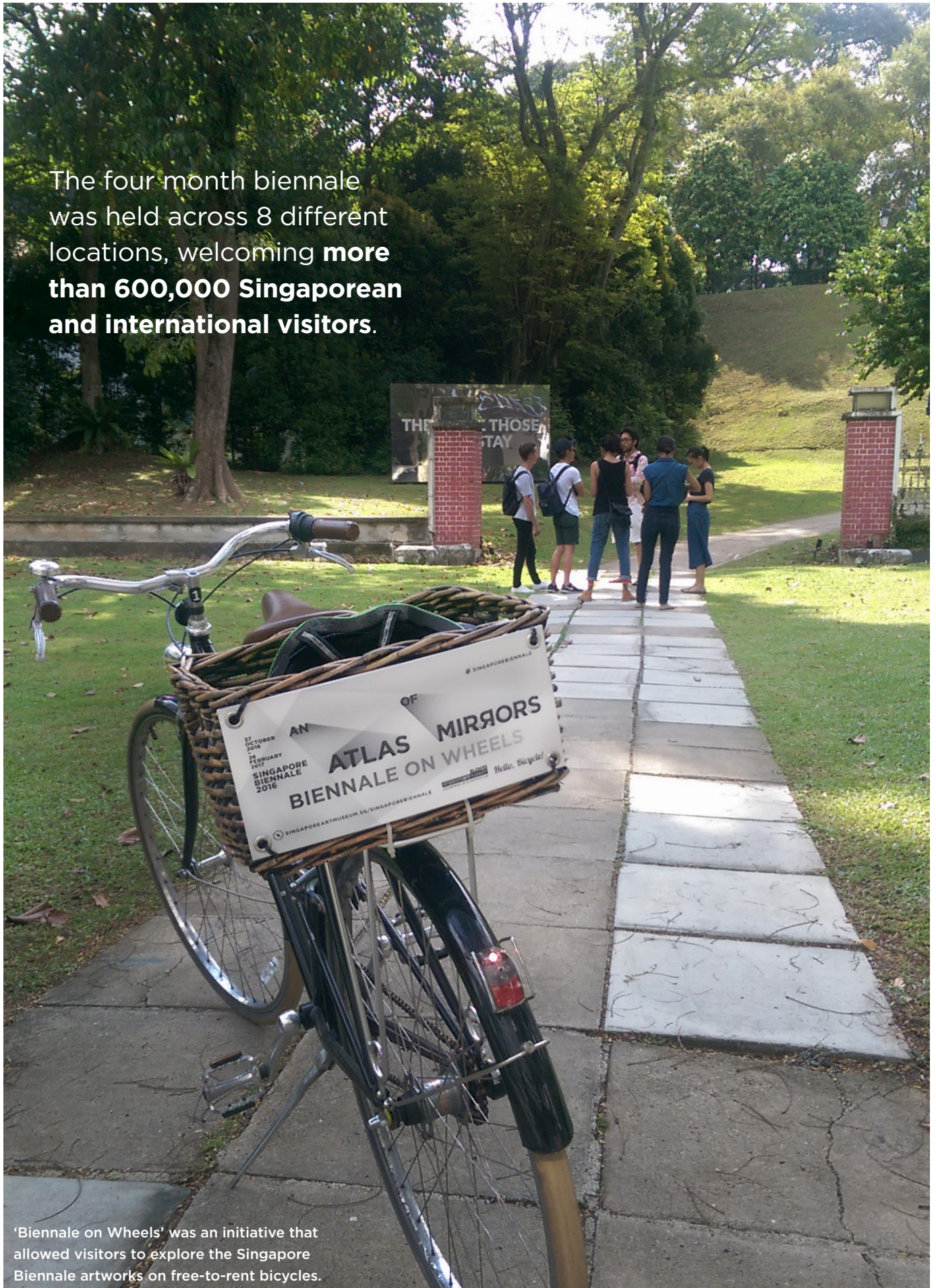
Deng Guoyuan, *Noah's Garden II*, 2016,
Singapore Biennale 2016: An Atlas of Mirrors.

SINGAPORE ART MUSEUM ORGANISED THE FIFTH EDITION OF THE SINGAPORE BIENNALE IN 2016, TITLED *AN ATLAS OF MIRRORS.*

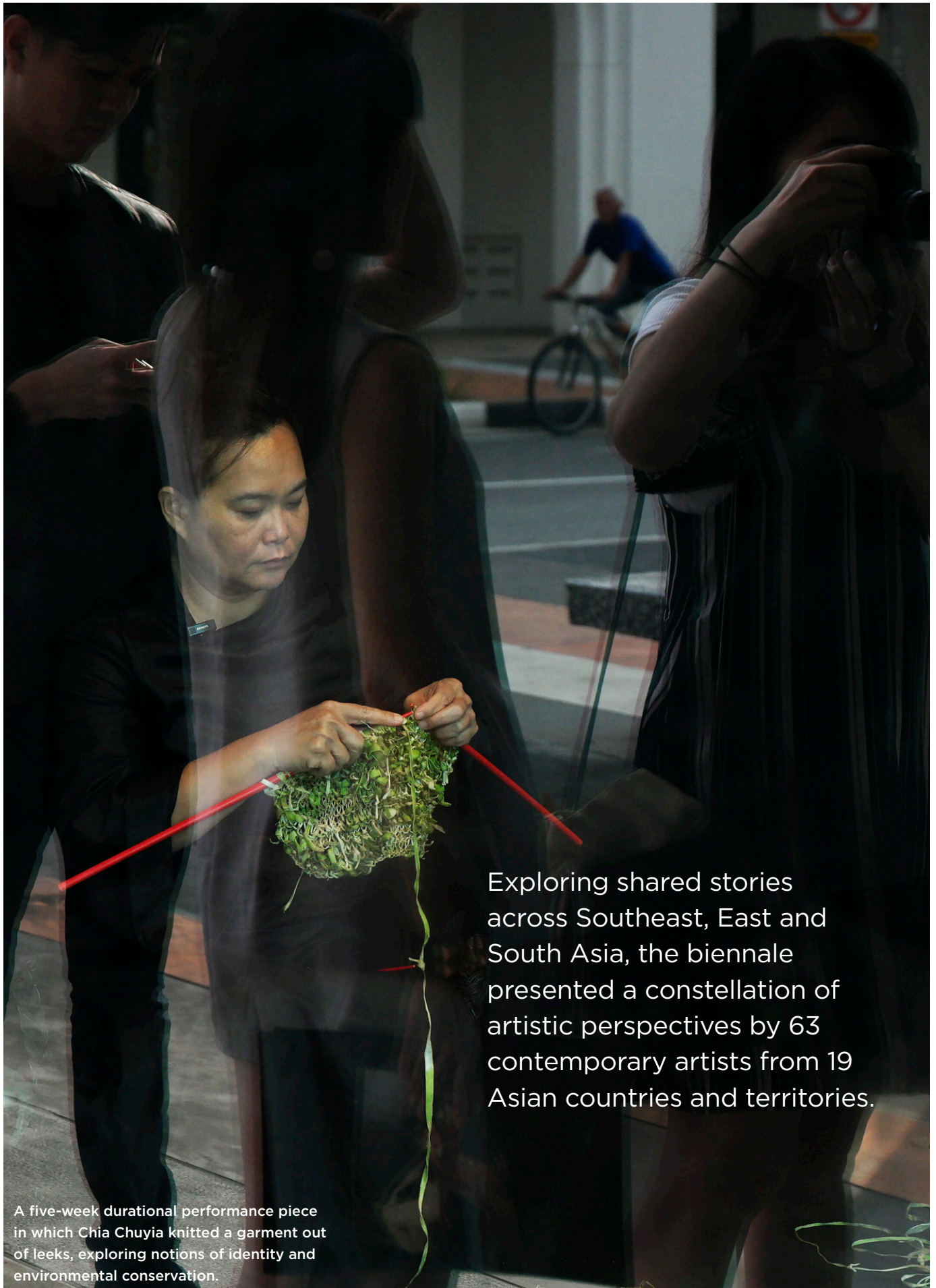


Visitors at Qiu Zhijie's *One Has to Wander through All the Outer Worlds to Reach the Innermost Shirme at the Ends* (2016).

The four month biennale was held across 8 different locations, welcoming **more than 600,000 Singaporean and international visitors.**



'Biennale on Wheels' was an initiative that allowed visitors to explore the Singapore Biennale artworks on free-to-rent bicycles.



A five-week durational performance piece in which Chia Chuyia knitted a garment out of leeks, exploring notions of identity and environmental conservation.

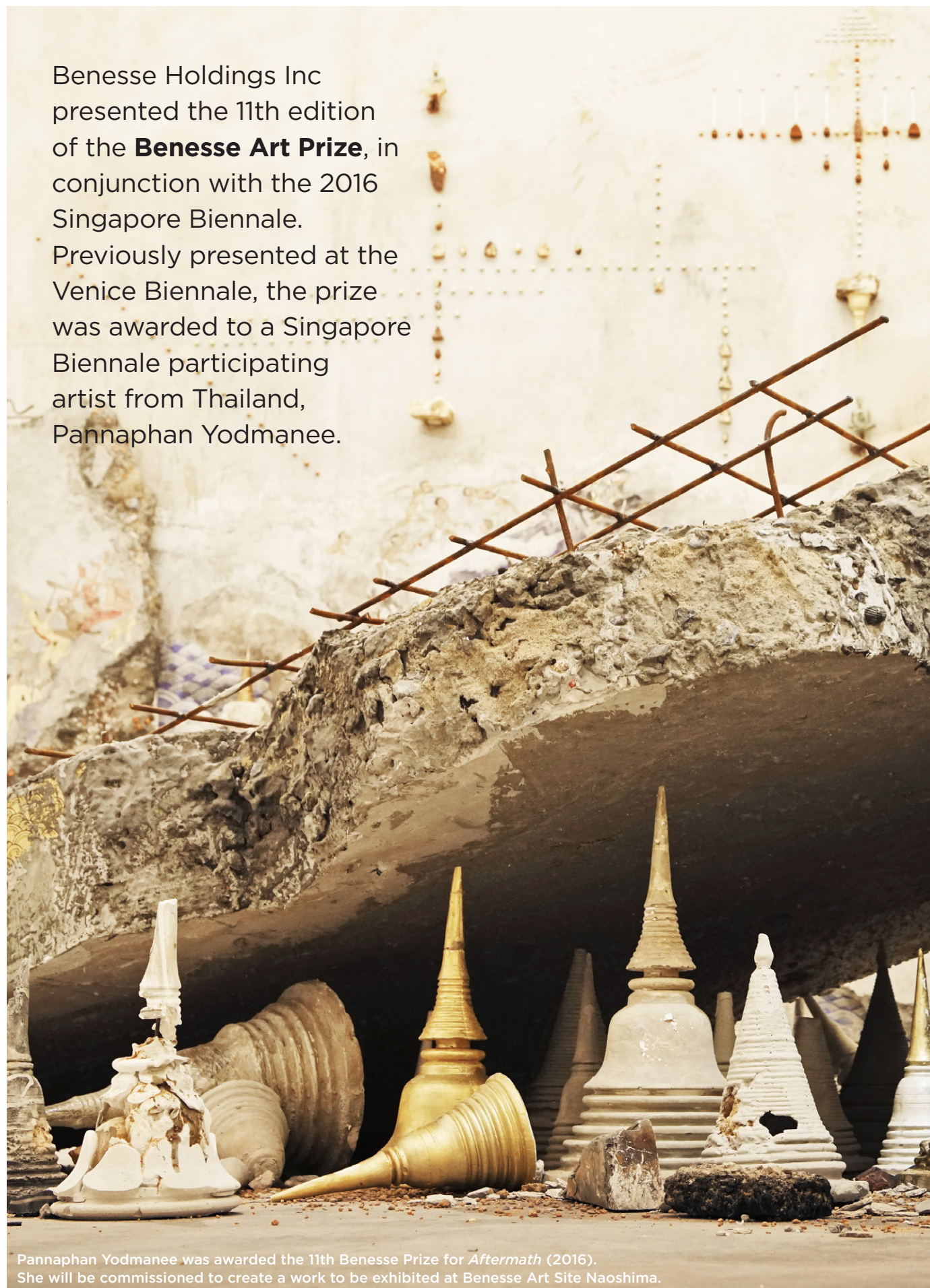
Exploring shared stories across Southeast, East and South Asia, the biennale presented a constellation of artistic perspectives by 63 contemporary artists from 19 Asian countries and territories.



The Singapore Biennale reached out to different audiences through a range of programmes, including the biennale symposium, curator-led tours, artist talks, performances and workshops.

Dex Fernandez in front of his artwork, *I Wander, I Wonder*, during the Singapore Biennale artist and curator tours.

Benesse Holdings Inc presented the 11th edition of the **Benesse Art Prize**, in conjunction with the 2016 Singapore Biennale. Previously presented at the Venice Biennale, the prize was awarded to a Singapore Biennale participating artist from Thailand, Pannaphan Yodmanee.



Pannaphan Yodmanee was awarded the 11th Benesse Prize for *Aftermath* (2016). She will be commissioned to create a work to be exhibited at Benesse Art Site Naoshima.



OUTREACH

Local musicians responded to artworks through original compositions at Singapore Biennale x Noise Singapore Art and Music Trail.

SAM's public outreach efforts throughout the year serve to introduce audiences to the world of contemporary art, and connect them with themes explored in ongoing exhibitions.



A live performance by Papermoon Puppet Theatre for *Imaginarium* 2016.

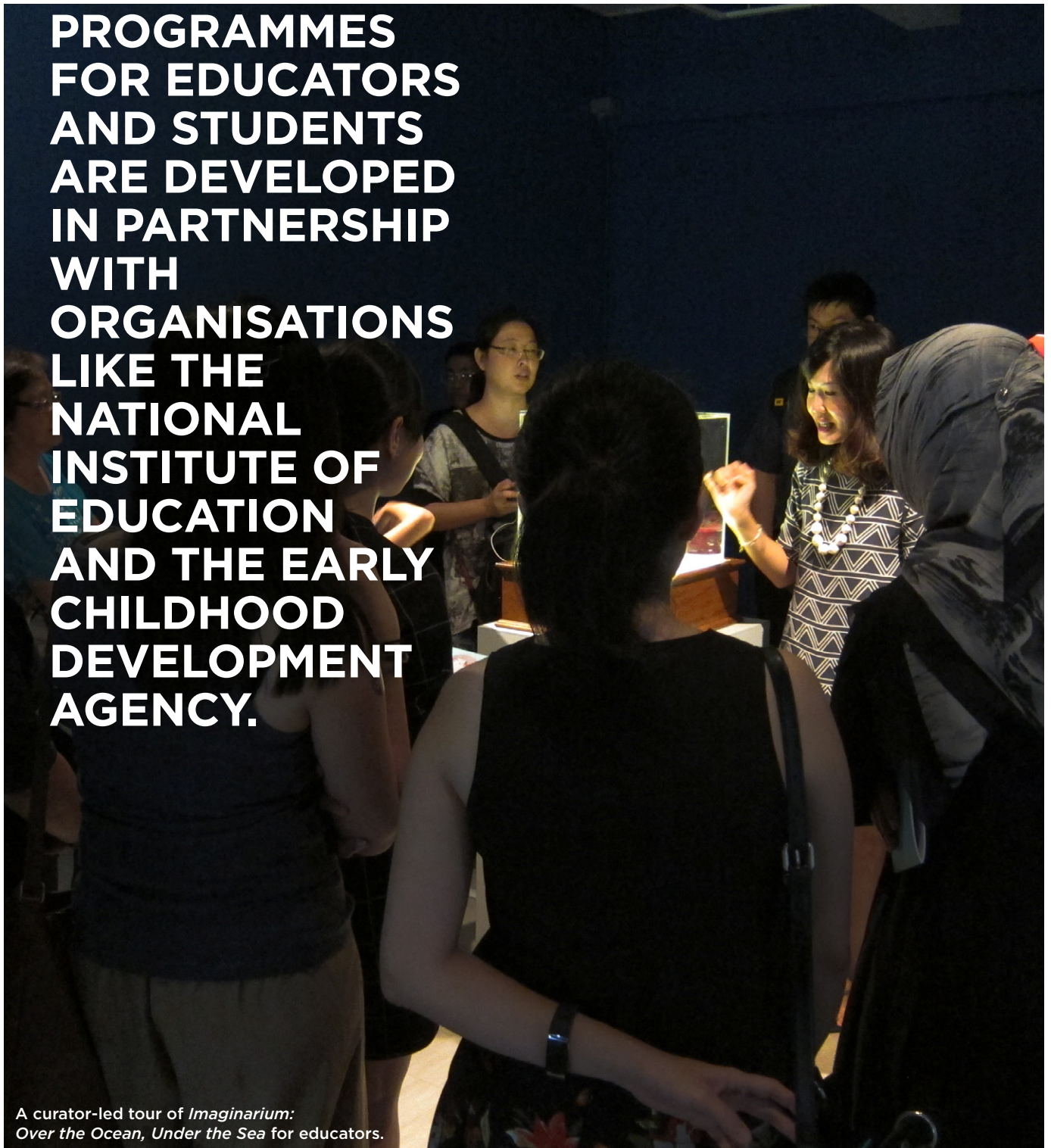


SAM façade projection during Singapore Night Festival 2016.



SAM x W Hotel Courtyard sessions during Singapore Art Week 2016.

**MUSEUM-BASED
EDUCATION IS
AN IMPORTANT
FOCUS AT SAM.
PROGRAMMES
FOR EDUCATORS
AND STUDENTS
ARE DEVELOPED
IN PARTNERSHIP
WITH
ORGANISATIONS
LIKE THE
NATIONAL
INSTITUTE OF
EDUCATION
AND THE EARLY
CHILDHOOD
DEVELOPMENT
AGENCY.**



A curator-led tour of *Imaginarium: Over the Ocean, Under the Sea* for educators.

**OVER 35,000
STUDENTS VISITED
SAM IN 2016 - 2017,
PARTICIPATING IN
MUSEUM VISITS, TALKS
AND WORKSHOPS
HELD THROUGHOUT
THE YEAR.**



Students looking at Dawn Ng's *Mamashop* at the *Once Upon This Island* exhibition in the SAM Learning Gallery.

SAM's signature museum-based educational programmes, such *Think Contemporary* and peer-led guiding, encourage holistic development, the learning of different subjects and skills through contemporary art presented in the museum.

A man wearing a white captain's hat and a blue shirt is pointing towards a large, vibrant wall display made of numerous small, colorful flowers in shades of blue, purple, yellow, and red. He is surrounded by a group of people, including a woman in a floral patterned top and another in a white top. The scene is set in a museum or gallery with a white wall and a light-colored floor. The word "COMMUNITY" is overlaid in large white letters across the center of the image.

COMMUNITY

**ART CAN MAKE
A POSITIVE
CONTRIBUTION
THROUGH ART
MAKING AND
CREATIVE
COLLABORATION,
TO PROMOTE
DIALOGUE,
EMPATHY
AND SHARED
EXPERIENCES.**



Visitors at the 2016 edition of the Yellow Ribbon Community Art Exhibition.

AT SAM, WE WORKED ON THREE KEY PROJECTS:



The ***Think! Contemporary 2016*** exhibition featured artworks created by primary school students, who participated in a year-long museum-based learning programme that provides a multi-disciplinary approach to learning subjects, and encourages analytical and creative thinking skills.



In collaboration with National University Hospital, the ***Project Dreamcatchers Art Exhibition*** was a platform for a group of youths living with chronic illnesses to create and communicate through art.



SAM worked in partnership with the Singapore Prison Service on an 8 month long art programme in Changi Prison Complex and Changi Women's Prison. ***The Yellow Ribbon Community Art Exhibition***, a culmination of the programme, featured the inmates' rehabilitative journey through art-making.

2016
SINGAPORE
BIENNALE
2016

OF
MIRRORS

INTERNATIONAL PARTNERSHIPS



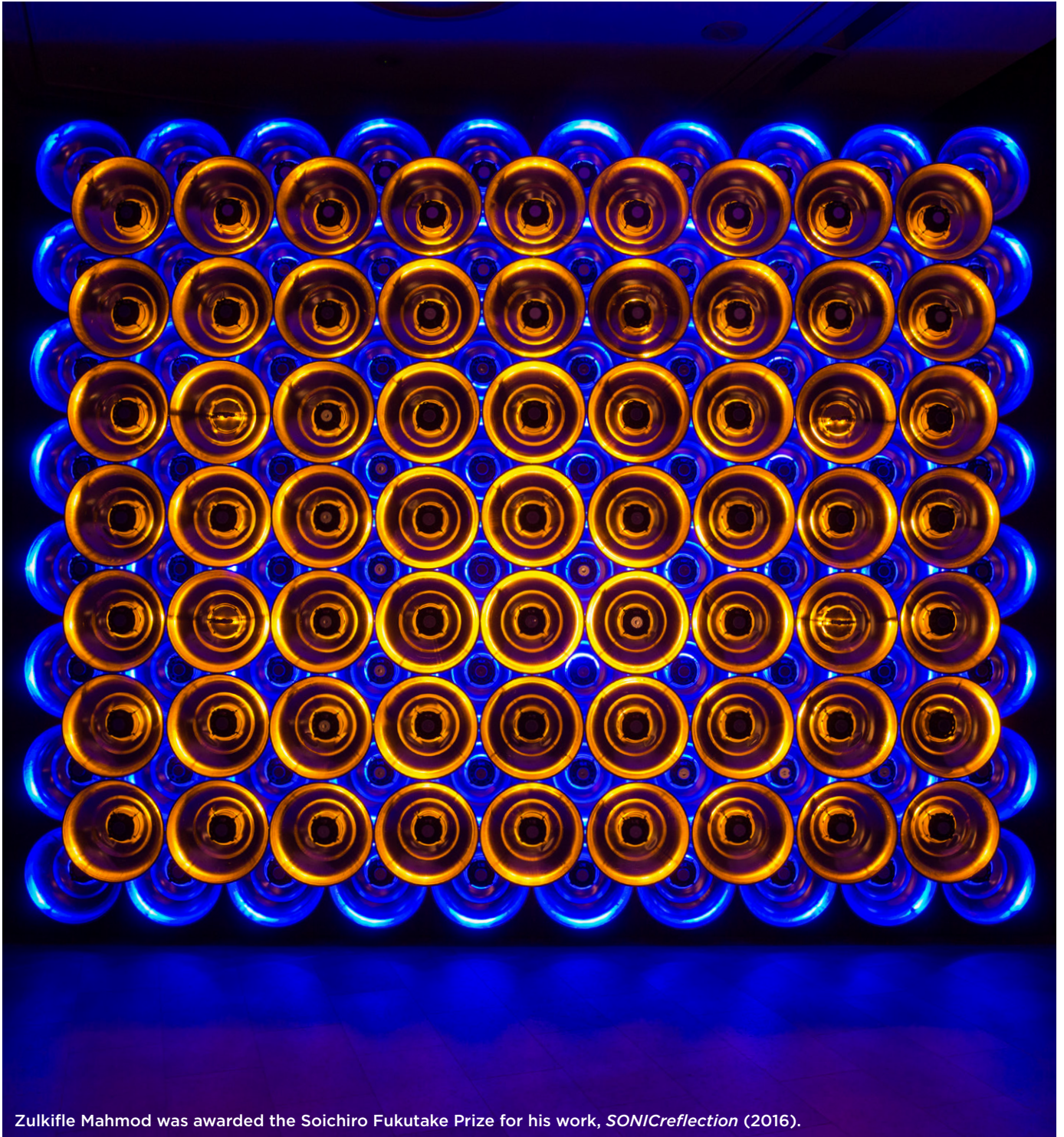
Performance component of Sakarin Krue-On's
Kra-Tua Taeng Seua (A Tiger Hunt), Singapore Biennale 2016.



Jonathan Jones's *lumination fall wall weave* (2006/2015), an artwork from the Queensland Art Gallery collection, was featured in *Time of Others*, a co-curatorial collaboration and travelling exhibition between four museums across Asia Pacific.

SAM signed a 5-year Memorandum of Understanding with the Queensland Art Gallery | Gallery of Modern Art (QAGOMA) in October 2016, focusing on capability development, artwork exchanges and co-commissioning, and culminating in one co-curated exhibition featuring artworks from the collections of both institutions.

This MOU was SAM's most significant partnership with an art institution since its corporatisation in 2013 and QAGOMA's first wide-ranging formal agreement with an institution in Asia.



Zulkifle Mahmod was awarded the Soichiro Fukutake Prize for his work, *SONICreflection* (2016).

SAM signed a partnership with Benesse Holdings, Inc, to cast international spotlight on Singapore Biennale 2016 artists through the 11th edition of the Benesse Art Prize.

The Soichiro Fukutake Prize - a newly created merit-based prize - was awarded to a Singaporean artist. The Benesse Art Prize was previously established in 1995 to award artists from the Venice Biennale.



FINANCIALS

16 / 17

SINGAPORE ART MUSEUM

(Incorporated in Singapore Registration Number: 201330746G)

ANNUAL REPORT

For the financial year ended 31 March 2017

SINGAPORE ART MUSUEM
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2017

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SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

1. Corporate Information

Singapore Art Museum ("SAM") was incorporated under the Companies Act, Cap 50 on 13 November 2013 and is a public company limited by guarantee, and a registered Charity with Institution of a Public Character (IPC) status, governed by its own Memorandum and Articles of Association.

Members of SAM

Yeoh Chee Yan
Jane Ittogi
Koh Seow Chuan

External auditor

PricewaterhouseCoopers LLP

Internal auditor

Ernst & Young Advisory Pte Ltd

Panel of legal advisors

Hin Tat Augustine & Partners
Infinitus Law Corporation
RHT Law Taylor Wessing LLP
Samuel Seow Law Corporation
WongPartnership LLP

Principal banker

UOB Bank Limited

Company secretary

Ms Claire Tham Li Mei, Hin Tat Augustine & Partners

Charity status

Charity Registration No. 201330746G

Charity Registration Date: 9 December 2013

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

1. Corporate information (continued)

Company Status

Company limited by guarantee

Incorporation Date:

13 November 2013

Unique Entity Number (UEN):

201330746G

IPC Status

IPC status effective period: 12 December 2015 to 11 December 2018

Registered address

61 Stamford Road, #02-02 Stamford Court, Singapore 178892

Tel: (65) 6697 9742 Fax: (65) 6334 7919

Email: enquiries@singaporeartmuseum.sg

Website: www.singaporeartmuseum.sg

2. Board matters

2.1 Board Composition and Roles

The Board comprises twelve directors at the date of this report, one of whom is a representative from Ministry of Culture, Community and Youth (the "MCCY"). The Board members do not receive any remuneration for their services.

SAM's Board of Directors has collective responsibility for the following:

- a. provide advice on strategic direction;
- b. establish a corporate governance framework that ensures optimal use of public funds allocated to SAM and proper review of relevant policies and procedures to safeguard the tangible and intangible assets of the SAM; and
- c. review Management's overall performance.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2. Board matters (continued)

2.2 Board of Directors

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Jane Ittogi Chair Singapore Art Museum	Chair	13 November 2013
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	13 November 2013
Brian McAdoo College Rector and Professor of Science Yale-NUS College	Member	1 April 2014
Philip Antony Jeyaretnam Global Vice Chair & Regional CEO Dentons Rodyk & Davidson LLP	Member	1 April 2014
Kenneth Whye Choe Executive Director Goldman Sachs (Singapore)	Member	13 November 2013
Yeo Whee Jim Senior Director, Arts & Heritage Ministry of Culture, Community and Youth	Member	13 November 2013
Zulkifli Bin Baharudin Executive Chairman Indo Trans Logistics Corporation	Member	1 April 2014
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer (Southeast Asia) Baker & McKenzie LLP	Member	1 April 2015

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2. Board matters (continued)

2.2 Board of Directors (continued)

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Claire Chiang Senior Vice President Banyan Tree Holdings Limited	Member	1 October 2016
Imran Bin Tajudeen Assistant Professor Department of Architecture School of Design and Environment National University of Singapore	Member	1 October 2016
Lily Kong Provost and Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 October 2016
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	1 May 2017
<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Kathy Lai Sou Tien Chief Executive Officer National Arts Council	Member	30 September 2016
Ronny Tan Chong Tee	Member	30 September 2016
Wee Teng Wen Managing Director The Lo & Behold Group Pte Ltd	Member	30 September 2016

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2.3 Executive Committee (EXCO)

The EXCO assists the Board in the stewardship and oversight of SAM and exercises such powers and/or functions on behalf of the Board on matters that have been specifically delegated to the EXCO.

Committee members in office as at the date of this report are listed as follows:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Jane Ittogi Chair Singapore Art Museum	Chair	13 November 2013
Kenneth Whye Choe Executive Director, Goldman Sachs (Singapore)	Member	13 November 2013
Philip Antony Jeyaretnam Global Vice Chair & Regional CEO Dentons Rodyk & Davidson LLP	Member	2 February 2016
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer (Southeast Asia) Baker & McKenzie LLP	Member	8 June 2016
Claire Chiang Senior Vice President Banyan Tree Holdings Limited	Member	1 June 2017
Lily Kong Provost and Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 June 2017
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	1 June 2017
<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Ronny Tan Chong Tee	Member	30 September 2016

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2. Board matters (continued)

2.4 Audit Committee (AC)

The AC assists the Board in fulfilling its oversight responsibilities in SAM's system of internal controls, financial reporting processes, the internal and external audit processes and the Enterprise Risk Management Framework.

Committee members in office as at the date of this report are listed as follows:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer (Southeast Asia) Baker & McKenzie LLP	Chairman	1 April 2015
Yeo Whee Jim Senior Director, Arts & Heritage Ministry of Culture, Community and Youth	Member	21 February 2014
Catherine Loh Chief Executive Officer Community Foundation of Singapore	Member	21 February 2014
Lily Kong Provost and Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 June 2017

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2. Board matters (continued)

2.5 Finance Committee (FC)

The FC assists to provide financial oversight for SAM and review of budgeting and financial planning, financial reporting, while providing guidance to management on financial matters.

Committee members in office as at the date of this report are listed as follows:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Zulkifli Bin Baharudin Executive Chairman Indo Trans Logistics Corporation	Chairman	18 May 2015
Yeo Whee Jim Senior Director, Arts & Heritage Ministry of Culture, Community and Youth	Member	18 May 2015
Brian McAdoo College Rector and Professor of Science Yale-NUS College	Member	18 May 2015

2.6 Acquisition Committee

The Acquisition Committee advises on matters relating to artwork purchase and donation, as well as SAM's collection strategy.

Committee members in office as at the date of this report are listed as follows:

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Kenneth Whye Choe Executive Director Goldman Sachs (Singapore)	Chairman	1 July 2014
Michaelangelo Samson Managing Director and Regional Head (SEA) Standard Chartered Bank	Member	1 July 2014
Peter Schoppert Managing Director NUS Press Pte Ltd	Member	1 July 2014

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

2. Board matters (continued)

2.6 Acquisition Committee (continued)

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Melani Setiawan Sonologist and Art Writer	Member	1 July 2014
Tay Swee Lin Director F.B. Consultants LLP	Member	1 July 2014
Brian McAdoo College Rector and Professor of Science Yale – NUS college	Member	2 February 2016
Michelle Lim Assistant Professor School of Art, Design and Media Nanyang Technological University	Member	1 July 2016
Woo Yew Kong, Ian Artist	Member	1 July 2016
Imran Bin Tajudeen Assistant Professor Department of Architecture School of Design and Environment National University of Singapore	Member	30 March 2017

<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Cheo Chai Hiang Artist	Member	14 April 2016

2.7 Remuneration

The Directors do not receive remuneration from the Company. The annual remuneration of the Company's three highest paid staff by remuneration bands is as follows:

	2017	2016
	\$	\$
\$200,000 to below \$300,000	-	-
\$100,000 to below \$200,000	3	3
\$0 to below \$100,000	-	-
	3	3

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

3. Conflict of interest

SAM's Memorandum and Articles of Association state that a Director should ensure he does not place himself in a position whereby, directly or indirectly his duties or interests might be in conflict with his duties or interests as a Director. Disclosure of interests is required should a Director be in conflict with his duties and interests as a Director. He should not participate or vote on the matter.

SAM has put in place a Conflict of Interest Policy for Staff and a Code of Ethics for Board Directors and Board Committee Members.

4. Principal activity and objectives

The objectives and principal activities of the Company are to operate a contemporary art gallery in Singapore and to deepen interest in and appreciation of contemporary art through art-related presentations, research and publications, as well as through outreach, education and public programmes.

5. Review of activities during the financial year

FY2016 started at the tail-end of a very busy year for SAM, as 2015 marked the 50th anniversary of Singapore's independence. 2015 saw record-high numbers of visitors to museums around Singapore, and SAM was no exception. This trend of public interest in both museums and the visual arts continued throughout 2016, buoyed by SAM's museum programming as well as the opening of the Singapore Biennale 2016.

SAM Museum Programming

The start of FY2016 saw SAM preparing for the opening of its family-friendly exhibition *Imaginarium: Over the Ocean, Under the Sea*. *Imaginarium*, which presented tactile and interactive works aimed at younger viewers, exceeded internal visitor targets of 105,000, to hit 116,297 visitors. The SG50 exhibition *5 Stars: Art Reflects on Peace, Justice, Equality, Democracy and Progress*, ended its run by June 2016. The exhibition exceeded its visitor count target of 139,624 with a total of 161,606 visitors. It was subsequently replaced by *Odyssey: Navigating Nameless Seas* – a companion exhibition to *Imaginarium* at SAM at 8Q. *Odyssey* saw 69,932 visitors in total, over the internal visitor target of 46,180.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

5. Review of activities during the financial year (continued)

Singapore Biennale 2016

In addition to regular museum programming, SAM undertook the organisation of the fifth edition of the Singapore Biennale, titled *An Atlas of Mirrors* - the second Singapore Biennale to be fully organised by SAM. The biennale took place over four months at various locations, with SAM and SAM at 8Q being the primary venues. We achieved a total visitor count of 614,907 - exceeding the NAC-defined target of 400,000 visitors and surpassing the visitor count for the 2013 Singapore Biennale.

This edition of the Biennale also inaugurated a significant partnership between the Singapore Biennale and Japan-based Benesse Foundation, to present the first Asian edition of the Benesse Prize. Under its auspices, an artist from Singapore Biennale 2016 would be selected to realise a permanent artwork at the Benesse Art Site in Naoshima, Japan. Previous editions of the Benesse Prize were awarded to artists participating in the Venice Biennale.

Engagement with Social Organisations and Underserved Communities

Apart from focusing on the presentation of contemporary art, SAM also engages with disadvantaged communities through events and partnerships with social organisations. These partnerships are typically months-long programmes that culminate in a community art exhibition at SAM. In 2016, SAM held three community art exhibitions: Think! Contemporary community art exhibition, Project Dreamcatchers community art exhibition, and the Yellow Ribbon community art exhibition.

Think! Contemporary, a year-long museum-based learning programme between SAM and primary school educators, culminates annually in an art exhibition with artworks created by students of CHIJ Our Lady Queen of Peace, Fuchun Primary School, Geylang Methodist School (Primary), Haig Girls' School, Mayflower Primary School and St. Anthony's Primary School. This exhibition was the fifth edition, and was held shortly after Children's Day in October 2016.

The Project Dreamcatchers community art exhibition held at SAM was in collaboration with National University Hospital, and in support of Dreamcatchers - a group of youths living with various forms of childhood chronic illnesses.

SAM ended 2016 with the annual Yellow Ribbon community art exhibition, which features individual and collaborative artworks of inmates in Changi Prison working under the mentorship of local artists and SAM curators, in a 6-8 month long art programme spearheaded by SAM.

Public Outreach Programmes

In support of SAM's museum programming, public outreach events such as public holiday Open Houses, talks and workshops, concerts and festivals were organised throughout the year and in theme to the on-going exhibitions. SAM also worked closely with the National Arts Council (NAC) and National Heritage Board (NHB) on island or precinct-wide events such as Singapore Art Week 2017 and the Night Festival 2016.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2017

5. Review of activities during the financial year (continued)

Education and Outreach

On the education front, the SAM education team worked closely with the Ministry of Education (MOE) and umbrella institutions like STAR (Singapore Teachers' Academy for the Arts), National Institute of Education (NIE), Early Childhood Development Agency (ECDA) and British Council to develop programmes and events. SAM's museum-based education, exemplified by its Peer-led.

Guiding programme and the Think Contemporary educational programme, encourages holistic learning through the lens provided by contemporary art. In addition to museum-based education, the SAM education team also travels to schools to conduct art-based assembly talks. In 2016, 35,360 students visited SAM, and 4 assembly talks, addressing a total of 960 students, were held.

Local and International Partnerships

Locally, SAM established a long-term partnership with the Institute of Policy Studies (IPS) to create the IPS-SAM Spotlight on Cultural Policy Series, contributing to the discourse on issues beyond art.

Internationally, SAM signed a five-year Memorandum of Understanding (MOU) with the Queensland Art Gallery and Gallery of Modern Art (QAGOMA), focusing on capability development, artwork exchanges and co-commissioning, and culminating in one co-curated exhibition featuring artworks from the collections of both institutions. The MOU began in 2017, and is due to end by 2021.

6. Reserves Policy

The objective of this Policy is to preserve the capital of the cumulative surpluses to ensure the long-term growth of the reserves while avoiding excessive risk. The cumulative reserves together with the interest and investment income generated can be drawn upon for operating purposes such as to fund any temporary deficit while waiting for committed grant receipt or the Board can designate reserves to be used for non-operating purposes including special projects that further SAM's organisational goals, vision and mission. The Board or a committee appointed by the Board has to approve the utilisation of reserves and designation for special projects. The cumulative reserves may be held in short term bank deposits with financial institutions with good credit rating and that are incorporated in Singapore. They should also be placed with banks offering competitive rates to maximise returns. Placement in fixed deposits shall be approved by CEO. Any proposed investments, other than placement in fixed deposits, shall be approved by the Board or a committee appointed by the Board. Reserves more than 2 years of the SAM's operating needs could be invested with approval from the Board or a committee appointed by the Board.

SINGAPORE ART MUSEUM

DIRECTORS' STATEMENT

For the financial year ended 31 March 2017

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2017.

In the opinion of the directors,

- (a) the financial statements as set out on pages 17 to 36 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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:

Jane Ittogi
Chong Siak Ching
Brian McAdoo
Philip Antony Jeyaretnam
Kenneth Whye Choe
Yeo Whee Jim
Zulkifli Bin Baharudin
Collin Tseng Chern Yang @ Collin Liu Chern Yang
Claire Chiang
Imran Bin Tajudeen
Lily Kong
Low Eng Teong

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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.

Directors' interests in shares or debentures

The Company is a company limited by guarantee and has no share capital or debentures. Therefore, there are no matters to be disclosed under Section 9 of the Twelfth Schedule of the Companies Act, Cap 50.

SINGAPORE ART MUSEUM

DIRECTORS' STATEMENT

For the financial year ended 31 March 2017

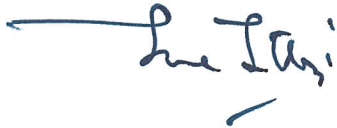
Share options

The Company is a company limited by guarantee and has no share capital or debentures. Therefore, there are no matters to be disclosed under Section 7 and Section 2 of the Twelfth Schedule of the Companies Act, Cap 50.


Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors,



Jane Ittogi
Director



Collin Tseng Chern Yang @
Collin Liu Chern Yang
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE ART MUSEUM

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Singapore Art Museum. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the balance sheet as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

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.

Other Information

Management is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Statement but does not include the financial statements and our auditor's report thereon.

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.

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 on the other information, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE ART MUSEUM
(continued)

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, Charities Act and Regulations 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 director's 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE ART MUSEUM
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

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

- (a) the Company has not used the donation moneys in accordance with the objectives as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of regulation 15 of the Charities (Institutions of a Public Character) Regulations.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

SINGAPORE ART MUSEUM

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Income			
Rental income		687,607	856,322
Donation income		459,469	1,270,390
Service income		266,122	329,552
Admission fees		754,825	381,518
Other income		169,360	193,917
		2,337,383	3,031,699
Expenses			
- Employee compensation	4	(5,183,833)	(5,045,529)
- Exhibition expenses		(4,088,481)	(1,709,618)
- Depreciation of property, plant and equipment	9	(291,787)	(225,266)
- IT expenses		(306,772)	(337,228)
- Publicity and public relations		(1,241,017)	(864,683)
- Rental on operating leases		(2,341,161)	(2,355,300)
- Repairs and maintenance		(1,180,390)	(1,115,452)
- Security services		(865,492)	(805,005)
- Utilities		(679,839)	(1,130,115)
- Allowance for impairment of trade receivables – non-related party	7	(76,335)	-
- Others		(2,083,631)	(2,294,242)
Total expenses		(18,338,738)	(15,882,438)
Deficit before grants		(16,001,355)	(12,850,739)
Grants			
- Deferred capital grants amortised	13	137,615	147,055
- Operating grants		11,640,000	11,510,000
- Other grants		5,520,535	1,520,422
		17,298,150	13,177,477
Net surplus and total comprehensive income		1,296,795	326,738

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

SINGAPORE ART MUSEUM

BALANCE SHEET

As at 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	4,843,009	6,890,159
Trade receivables	7	402,221	122,710
Other receivables		8,704	24,944
Other current assets	8	343,343	332,985
		<u>5,597,277</u>	<u>7,370,798</u>
Non-current assets			
Property, plant and equipment	9	<u>632,204</u>	412,531
Total assets		<u>6,229,481</u>	<u>7,783,329</u>
LIABILITIES			
Current liabilities			
Other payables	10	2,362,803	2,406,020
Grants received in advance	11	850,421	3,898,558
Deferred donations	12	205,241	255,276
		<u>3,418,465</u>	<u>6,559,854</u>
Non-current liabilities			
Provision for reinstatement cost	14	288,918	-
Deferred capital grants	13	249,435	247,607
		<u>538,353</u>	<u>247,607</u>
Total liabilities		<u>3,956,818</u>	<u>6,807,461</u>
NET ASSETS		<u>2,272,663</u>	<u>975,868</u>
EQUITY			
Accumulated surplus		<u>2,272,663</u>	<u>975,868</u>
Total equity		<u>2,272,663</u>	<u>975,868</u>

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

SINGAPORE ART MUSEUM

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	Accumulated surplus \$
At 1 April 2016	975,868
Total comprehensive income	1,296,795
At 31 March 2017	<u>2,272,663</u>
At 1 April 2015	649,130
Total comprehensive income	326,738
At 31 March 2016	<u>975,868</u>

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

SINGAPORE ART MUSEUM

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Deficit before grants		(16,001,355)	(12,850,739)
Adjustments for:			
- Depreciation		291,787	225,266
- Donation income		(459,469)	(1,270,390)
		<u>(16,169,037)</u>	<u>(13,895,863)</u>
Change in working capital:			
- Trade receivables		(103,236)	58,322
- Other receivables		16,240	163,986
- Other current assets		(10,358)	95,542
- Other payables		245,701	(212,049)
Net cash used in operating activities		<u>(16,020,690)</u>	<u>(13,790,062)</u>
Cash flows from investing activities			
Additions of property, plant and equipment (Note A)		(511,460)	(28,936)
Net cash used in investing activities		<u>(511,460)</u>	<u>(28,936)</u>
Cash flows from financing activities			
Grants received		14,075,566	16,628,980
Donations received		409,434	1,503,774
Net cash provided by financing activities		<u>14,485,000</u>	<u>18,132,754</u>
Net decrease in cash and cash equivalents		(2,047,150)	4,313,756
Cash and cash equivalent as at beginning of financial year		6,890,159	2,576,403
Cash and cash equivalent as at end of financial year	6	<u>4,843,009</u>	<u>6,890,159</u>

Note A

For the financial year ended 31 March 2017, provision for reinstatement cost of \$288,918 was included under additions of property, plant and equipment.

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

1. General information

Singapore Art Museum (the “Company”) is incorporated on 13 November 2013 in the Singapore. The address of its registered office is 61 Stamford Road, #02-02 Stamford Court, Singapore 178892.

The principal activity of the Company is to operate a contemporary art gallery in Singapore and to deepen interest in and appreciation of contemporary art through art-related presentations, research and publications, as well as through outreach, education and public programmes.

The Company is registered as a charity under the Charities Act, Chapter 37 on 9 December 2013.

The comparative figures presented are for the year ended 31 March 2016.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“SFRS”). The financial statement have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with SFRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Interpretations and amendments to published standards effective in 2017

On 1 April 2016, the Company adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations for general purposes are recognised as income upon receipt.

Donations with restriction and/or conditions attached are recognised as income if the restrictions and conditions are under the Company's purview and it is probable that these restrictions and conditions would be met. Otherwise, these donations are recognised and taken to the "deferred donations" account until the above criteria are fulfilled or when the restrictions and/or conditions are met.

Admission fees are recognised as income upon the sale of tickets to visitors at the museums.

Rental income is recognised on a straight-line basis over the lease period.

Income from rendering of services is recognised when the services have been rendered.

2.3 Employee compensation

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

2.4 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.5 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The projected cost of dismantlement, removal or restoration is recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Construction-in-progress are not depreciated. Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Furniture and fittings	2 - 8 years
Office equipment	2 - 6 years
Audio visual equipment	2 - 8 years
Health & Safety equipment	5 years
Computer equipment	3 years
Mechanical and electrical equipment	8 years

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

2.6 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.7 Loans and receivables

Cash and cash equivalents
Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.8 Grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants for the purchase of depreciable assets are taken to the deferred capital grant account. The deferred capital grants are recognised in the profit or loss over the periods necessary to match the depreciation of the related assets purchased with the grants. Upon the disposal of the assets, the balance of the related deferred capital grants is recognised in profit or loss to match the net book value of the assets written off.

Government grants in respect of the current year's operating expenses are recognised as income in the same year.

Other grants are recognised as income over the period necessary to match the intended costs. Such grants which are received but not utilised are included in the grants received in advance account.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.9 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation to settle as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions for asset dismantlement, removal or restoration are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Company recognises the estimated costs of dismantlement, removal or restoration or items of plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.12 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

3. Members' guarantee

The Company is limited by guarantee whereby each member of the Company undertakes to meet the debts and liabilities of the Company, in the event of its liquidation, to an amount not exceeding \$10 per member.

As at 31 March 2017, the Company has 3 members (2016: 3 members).

4. Employee compensation

	2017	2016
	\$	\$
Wages and salaries	4,446,610	4,368,976
Employer's contribution to Central Provident Fund	737,223	676,553
	<u>5,183,833</u>	<u>5,045,529</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

5. Income tax expense

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.

6. Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and on hand	4,843,009	6,870,159
Fixed deposits	-	20,000
	<u>4,843,009</u>	<u>6,890,159</u>

7. Trade receivable

	2017 \$	2016 \$
Trade receivable - non-related parties	478,556	122,710
Less: Allowance for impairment of trade receivables – non-related party	(76,335)	-
	<u>402,221</u>	<u>122,710</u>

8. Other current assets

	2017 \$	2016 \$
Deposits	298,587	299,669
Prepayment	44,756	33,316
	<u>343,343</u>	<u>332,985</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

9. Property, plant and equipment

	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Mechanical and electrical equipment</u>	<u>Audio visual equipment</u>	<u>Health & Safety equipment</u>	<u>Computer equipment</u>	<u>Asset Under Construction</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>								
At 1 April 2016	29,450	521,478	3,350	192,401	-	178,583	-	925,262
Additions	288,918	78,099	-	-	5,000	39,443	100,000	511,460
At 31 March 2017	318,368	599,577	3,350	192,401	5,000	218,026	100,000	1,436,722
<u>Accumulated depreciation</u>								
At 1 April 2016	16,963	287,830	70	92,618	-	115,250	-	512,731
Depreciation charge	74,575	117,765	419	38,322	83	60,623	-	291,787
At 31 March 2017	91,538	405,595	489	130,940	83	175,873	-	804,518
Net book value								
At 31 March 2017	226,830	193,982	2,861	61,461	4,917	42,153	100,000	632,204
<u>Cost</u>								
At 1 April 2015	29,450	502,670	-	192,401	-	171,805	-	896,326
Additions	-	18,808	3,350	-	-	6,778	-	28,936
At 31 March 2016	29,450	521,478	3,350	192,401	-	178,583	-	925,262
<u>Accumulated depreciation</u>								
At 1 April 2015	10,054	167,150	-	53,849	-	56,412	-	287,465
Depreciation charge	6,909	120,680	70	38,769	-	58,838	-	225,266
At 31 March 2016	16,963	287,830	70	92,618	-	115,250	-	512,731
Net book value								
At 31 March 2016	12,487	233,648	3,280	99,783	-	63,333	-	412,531

SINGAPORE ART MUSEUM**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2017***10. Other payables**

	2017	2016
	\$	\$
Other payables	717,201	825,936
Accrued operating expenses	1,645,602	1,580,084
	<u>2,362,803</u>	<u>2,406,020</u>

11. Grants received in advance

	2017	2016
	\$	\$
Beginning of financial year	3,898,558	300,000
Grants received during the year	14,075,566	16,628,980
Transferred to income statement	(16,984,260)	(13,030,422)
Transferred to deferred capital grants (Note 13)	(139,443)	-
End of financial year	<u>850,421</u>	<u>3,898,558</u>

12. Deferred donations

	2017	2016
	\$	\$
Beginning of financial year	255,276	21,892
Donations received	409,434	1,503,774
Transferred to income statement	(459,469)	(1,270,390)
End of financial year	<u>205,241</u>	<u>255,276</u>

13. Deferred capital grants

	2017	2016
	\$	\$
Beginning of financial year	247,607	394,662
Transferred from Grant – CMF (Note 11)	139,443	-
Amortised to income statement	(137,615)	(147,055)
End of financial year	<u>249,435</u>	<u>247,607</u>

For the financial year ended 31 March 2017, the Company has obtained approval from National Art Council to utilise the Culture Matching Funds (“CMF”) for capital grants related operations.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

14. Provision for reinstatement cost

The provision comprises of provision for reinstatement costs, which represents the present value of the estimated costs that will be incurred to reinstate the premises leased from external party to its original condition upon expiry of the lease.

	2016	2015
	\$	\$
Provision for reinstatement cost	288,918	-

15. Commitments

(a) Operating lease commitments where the Company is a lessee

The Company leases office premises under operating lease agreements.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	2017	2016
	\$	\$
Not later than one year	1,221,756	2,335,799
More than one year	856,158	2,083,276
	2,077,914	4,419,075

(b) Operating lease commitments where the Company is a lessor

The Company leases out retail space to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	2017	2016
	\$	\$
Not later than one year	180,000	538,200

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Key management personnel compensation

Key management personnel compensation is as follows:

	2017	2016
	\$	\$
Wages and salaries	153,812	176,863
Post-employment benefits - Contribution to Central Provident Fund	18,727	11,682
	<u>172,539</u>	<u>188,545</u>

17. Charities Act and Regulations

As required for disclosure under regulation 17 of the Charities (Institutions of a Public Character) Regulations, the Company has received tax deductible donations of \$327,648 (2016:\$ 1,271,295) for the financial year ended 31 March 2017.

18. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Company's financial performance.

The information presented below is based on information received by the management team.

(a) Market risk

(i) Currency risk

The Company's operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

The Company has interest-bearing assets in cash at bank. These interest bearing assets are short-term in nature, therefore, any future variations in interest rates will not have a material impact on the results of the Company.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

18. Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company adopts the policy of dealing only with counterparties of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are cash at bank, deposits and trade and other receivables.

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially counterparties with good collection track record with the Company.

The age analysis of trade receivables past due but not impaired is as follows:

	2017	2016
	\$	\$
Past due less than 3 months	3,658	51,652
Past due 3 to 6 months	16,853	4,717
	20,511	56,369

The carrying amount of trade receivables individually determined to be impaired the movement in the related allowance for impairment are as follows:

	2017	2016
	\$	\$
Past due less than 3 months	13,676	-
Past due 3 to 6 months	62,659	-
	76,335	-
Less: Allowance for impairment	(76,335)	-
	-	-
Beginning of financial year	-	-
Allowance made	(76,335)	-
End of financial year	(76,335)	-

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

18. Financial risk management (continued)

(c) Liquidity risk

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than <u>1 year</u> \$
At 31 March 2017	
Other payables	<u>2,651,721</u>
At 31 March 2016	
Other payables	<u>2,406,020</u>

(d) Capital risk

The Company is limited by guarantee with no share capital and is mainly funded by government grants. The Company is not subject to any externally imposed capital requirements.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2017 \$	2016 \$
Loans and receivables	5,552,521	7,337,482
Financial liabilities at amortised cost	<u>2,651,721</u>	<u>2,406,020</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

19. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2017 and which the Company has not early adopted:

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss.

The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

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19. New or revised accounting standards and interpretations (continued)

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of \$2,077,914 (Note 14 (a)). However, the Company has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's surplus and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

Management is reviewing the impact on which the adoption of the above FRSs are anticipated to have on the financial statements of the Company in the period of their initial adoption.

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20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Art Museum on