

SINGAPORE DISCOVERY CENTRE LTD

*(Company limited by guarantee and incorporated in Singapore)
(Registration Number: 199307558M)*

ANNUAL REPORT

For the financial year ended 31 March 2017

SINGAPORE DISCOVERY CENTRE LTD
(Company limited by guarantee and incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2017

Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

SINGAPORE DISCOVERY CENTRE LTD

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 6 to 26 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:

Chua Tsen Leong Adrian	(appointed on 31 October 2016)
BG (RET) Lawrence Chua	
Chan Kit Ee	
Chia Tze Yee	
Clifford Keong Boon Kee	(appointed on 11 July 2016)
Giam Hock Koon	
Jeffrey Seah Ting Han	(appointed on 15 September 2016)
Melvin Kwek Lian Seng	(appointed on 15 September 2016)
Puvanaratnam S/O Ariaratnam	
Tan Boon Kiat	
Thomas Wong Hui Ping	

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 201(6)(f) and (g), Section 201 (6A)(g) and (h), Section 201(11) and Section 201(12) of the Companies Act, Chapter 50.

SINGAPORE DISCOVERY CENTRE LTD

DIRECTORS' STATEMENT

For the financial year ended 31 March 2017

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors



Chua Tsen Leong Adrian
Director

27 June 2017



Lawrence Chua
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 balance sheet as at 31 March 2017, and 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.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the 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.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *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. The other information comprises the 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, 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 Those Charged with Governance 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 Companies Act, the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DISCOVERY CENTRE LTD (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

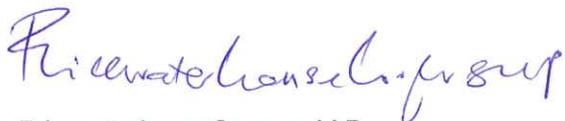
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE DISCOVERY CENTRE LTD (continued)**

Report on Other Legal and Regulatory Requirements

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



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 27 June 2017

SINGAPORE DISCOVERY CENTRE LTD

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Revenue	4	3,690,419	4,117,807
Other income	5	205,503	502,692
Expenses			
- Changes in inventories		1,707	1,695
- Purchase of inventories		(19,073)	(24,698)
- Depreciation expense	11	(1,055,617)	(1,233,478)
- Employee compensation	6(a)	(7,087,433)	(6,593,692)
- Other	6(b)	(8,785,187)	(9,251,659)
Total expenses		(16,945,603)	(17,101,832)
Deficits before grants		(13,049,681)	(12,481,333)
Grants			
- Operating grants utilised	13	11,934,275	11,203,042
- Assets written off/disposed under deferred capital grants	14	59,789	44,813
- Deferred capital grants amortised	14	1,055,617	1,233,478
Net results and total comprehensive income for the year		-	-

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

SINGAPORE DISCOVERY CENTRE

BALANCE SHEET

As at 31 March 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	3,530,266	3,682,008
Trade and other receivables	9	351,206	456,271
Inventories	10	13,109	11,402
Prepayments		254,311	234,359
		<u>4,148,892</u>	<u>4,384,040</u>
Non-current asset			
Property, plant and equipment	11	<u>2,281,336</u>	<u>2,440,902</u>
Total assets		<u>6,430,228</u>	<u>6,824,942</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	2,015,237	1,992,117
Deferred operating grants	13	<u>2,133,655</u>	<u>2,391,923</u>
		<u>4,148,892</u>	<u>4,384,040</u>
Non-current liability			
Deferred capital grants	14	<u>2,281,336</u>	<u>2,440,902</u>
Total liabilities		<u>6,430,228</u>	<u>6,824,942</u>
NET ASSETS		<u>-</u>	<u>-</u>
EQUITY		<u>-</u>	<u>-</u>

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

SINGAPORE DISCOVERY CENTRE

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	<u>Equity</u> \$
2017	
Balance at beginning and end of financial year	<u>-</u>
2016	
Balance at beginning and end of financial year	<u>-</u>

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

SINGAPORE DISCOVERY CENTRE

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Deficit before grants		(13,049,681)	(12,481,333)
Adjustments for:			
Depreciation expense	11	1,055,617	1,233,478
Interest income	5	(1,606)	(2,022)
Loss on write-off/disposal of property, plant and equipment	6(b)	46,215	44,059
		<u>(11,949,455)</u>	<u>(11,205,818)</u>
Change in working capital:			
Trade and other receivables		105,065	69,879
Inventories		(1,707)	(1,695)
Prepayments		(19,952)	(34,800)
Trade and other payables		23,120	(209,190)
Cash used in operations		<u>(11,842,929)</u>	<u>(11,381,624)</u>
Interest received		1,606	2,022
Net cash used in operating activities		<u>(11,841,323)</u>	<u>(11,379,602)</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		13,574	754
Purchase of property, plant and equipment	11	(955,840)	(411,959)
Net cash used in investing activities		<u>(942,266)</u>	<u>(411,205)</u>
Cash flows from financing activities			
Grants received	13	12,631,847	12,511,659
Net cash provided by financing activities		<u>12,631,847</u>	<u>12,511,659</u>
Net (decrease)/increase in cash and cash equivalents		(151,742)	720,852
Cash and cash equivalents at beginning of financial year		3,302,408	2,581,556
Cash and cash equivalents at end of financial year	8	<u>3,150,666</u>	<u>3,302,408</u>

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

SINGAPORE DISCOVERY CENTRE LTD

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 Discovery Centre Ltd (the "Company") is incorporated in Singapore as a company limited by guarantee. As at 31 March 2017, the Company has 3 (2016: 3) members with each member's liability limited to \$1 (2016: \$1).

The address of its registered office and principal place of business is 510 Upper Jurong Road, Singapore 638365.

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

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of these financial statements in conformity with FRS 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. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

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 relevant 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 DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Sales are presented, net of value-added tax and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:

(a) *Ticket and retail sales*

Revenue is recognised upon the sale of tickets and retail goods.

(b) *Membership fees*

Membership fees are recognised over the period of the membership.

(c) *Management fee income and education programmes and events income*

Management fee income, education programmes and events income are recognised when the services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 Government grants

Grants from the Ministry of Defence and other 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.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to reimburse.

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

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.3 Government grants (continued)

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.

2.4 Property, plant and equipment

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

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.

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>
Exhibits	2 to 8 years
Furniture and fittings	3 to 15 years
Office equipment	5 years
Computer equipment	3 years
Computer software	3 years
Motor Vehicles	10 years
Renovation	3 to 5 years
Facility equipment	2 to 10 years

No depreciation is provided for construction-in-progress until the asset is available for use.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

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.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.5 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any 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 any accumulated depreciation) had no impairment loss been recognised for the asset in prior periods. A reversal of impairment loss for an asset is recognised in profit or loss.

2.6 Loans and receivables

Cash and cash equivalents
Trade and other receivables

Cash and cash equivalents, trade and other receivables are initially recognised at 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.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.7 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial period 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.

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

2.8 Fair value estimation

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.9 Operating leases

(a) When the Company is the lessee:

The Company leases land and certain plant and machinery under operating leases.

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.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) When the Company is the lessor:

The Company leases retail space under operating leases to non-related parties. 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.

2.10 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 applicable variable selling expenses.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.11 Employee compensation

(a) 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.

(b) 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.

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.

2.13 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, and excluding deposits pledged.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *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 2 to 15 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.

(b) *Impairment of loans and receivables*

Management assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, management makes judgement and considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

4. Revenue

	2017	2016
	\$	\$
Ticket sales	154,957	209,411
Membership fees	143,355	140,160
Rental income	63,180	57,024
Retail sales	23,091	35,287
Management fee income	2,203,364	2,139,650
Education programmes and events income	1,102,472	1,536,275
	<u>3,690,419</u>	<u>4,117,807</u>

SINGAPORE DISCOVERY CENTRE LTD**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2017***5. Other income**

	2017	2016
	\$	\$
Interest income	1,606	2,022
Other operating income	8,773	20,682
Other grants	195,124	479,988
	<u>205,503</u>	<u>502,692</u>

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

6. Employee compensation and other operating expense

	2017	2016
	\$	\$
(a) <u>Employee compensation</u>		
Wages and salaries	6,147,175	5,752,347
Employer's contribution to Central Provident Fund	905,776	805,197
Other short-term benefits	34,482	36,148
	<u>7,087,433</u>	<u>6,593,692</u>
(b) <u>Other operating expense</u>		
Advertisement	188,373	322,166
Education programmes and events	2,023,247	1,824,121
Exhibitions	590,916	1,389,432
Film lease	474,959	461,976
GST	414,424	413,001
Loss on write-off/disposal of property, plant and equipment	46,215	44,059
Maintenance and landscaping	1,480,946	1,342,353
Rental on operating lease	1,620,000	1,620,000
Security	441,112	386,000
Utilities	431,726	550,541
Others	1,073,269	898,010
	<u>8,785,187</u>	<u>9,251,659</u>

7. Income 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.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

8. Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and on hand	2,442,859	2,595,516
Fixed deposits	707,807	706,892
Fixed deposits pledged	379,600	379,600
	<u>3,530,266</u>	<u>3,682,008</u>

Fixed deposits are pledged as security for guarantees issued to third parties.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2017 \$	2016 \$
Cash and bank balances (as above)	3,530,266	3,682,008
Less: Fixed deposits pledged	<u>(379,600)</u>	<u>(379,600)</u>
Cash and cash equivalents per statement of cash flows	<u>3,150,666</u>	<u>3,302,408</u>

9. Trade and other receivables

	2017 \$	2016 \$
Trade receivables	285,964	421,734
Amount due from Ministry of Defence	23,386	-
Other receivables	31,246	33,927
Deposits	10,610	610
	<u>351,206</u>	<u>456,271</u>

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

10. Inventories

	2017 \$	2016 \$
Finished goods	<u>13,109</u>	<u>11,402</u>

The cost of inventories recognised as expense amounted to \$17,366 (2016: \$23,003).

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

11. Property, plant and equipment

	Exhibits \$	Exhibits (National Education) \$	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Computer software \$	Motor vehicles \$	Renovation \$	Facility equipment \$	Construction -in-progress \$	Total \$
2017											
Cost											
At 1 April 2016	1,684,639	19,382,949	1,753,163	509,531	780,144	386,355	91,566	8,854,399	3,003,410	-	36,446,156
Additions	-	100,000	9,550	63,174	109,954	4,000	82,545	173,893	249,601	163,123	955,840
Transfers	-	-	-	-	15,671	(15,671)	-	46,440	92,235	(138,675)	-
Write-off/Disposal	-	(239,871)	(2,900)	(11,856)	(14,090)	-	(67,396)	(46,000)	(414,870)	-	(796,983)
At 31 March 2017	1,684,639	19,243,078	1,759,813	560,849	891,679	374,684	106,715	9,028,732	2,930,376	24,448	36,605,013
Accumulated depreciation											
At 1 April 2016	1,684,639	18,919,932	1,347,476	418,372	733,246	341,065	84,026	8,090,549	2,385,949	-	34,005,254
Depreciation charge	-	216,118	96,349	45,407	38,359	10,600	8,421	362,443	277,920	-	1,055,617
Transfers	-	-	-	-	3,939	(3,939)	-	-	-	-	-
Write-off/Disposal	-	(239,870)	(2,610)	(11,852)	(14,085)	-	(67,396)	(43,279)	(358,102)	-	(737,194)
At 31 March 2017	1,684,639	18,896,180	1,441,215	451,927	761,459	347,726	25,051	8,409,713	2,305,767	-	34,323,677
Net book value											
At 31 March 2017	-	346,898	318,598	108,922	130,220	26,958	81,664	619,019	624,609	24,448	2,281,336
2016											
Cost											
At 1 April 2015	1,684,639	19,345,122	1,736,800	605,612	774,969	374,355	91,566	8,698,029	2,971,133	11,225	36,293,450
Additions	-	-	16,830	12,176	30,338	12,000	-	19,760	131,195	189,660	411,959
Transfers	-	50,000	-	-	-	-	-	139,660	-	(189,660)	-
Write-off/Disposal	-	(12,173)	(467)	(108,257)	(25,163)	-	-	(3,050)	(98,918)	(11,225)	(259,253)
At 31 March 2016	1,684,639	19,382,949	1,753,163	509,531	780,144	386,355	91,566	8,854,399	3,003,410	-	36,446,156
Accumulated depreciation											
At 1 April 2015	1,684,639	18,623,623	1,237,772	457,149	700,262	332,865	76,486	7,740,917	2,132,503	-	32,986,216
Depreciation charge	-	308,482	109,820	56,592	58,053	8,200	7,540	352,681	332,110	-	1,233,478
Write-off/Disposal	-	(12,173)	(116)	(95,369)	(25,069)	-	-	(3,049)	(78,664)	-	(214,440)
At 31 March 2016	1,684,639	18,919,932	1,347,476	418,372	733,246	341,065	84,026	8,090,549	2,385,949	-	34,005,254
Net book value											
At 31 March 2016	-	463,017	405,687	91,159	46,898	45,290	7,540	763,850	617,461	-	2,440,902

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

12. Trade and other payables

	2017	2016
	\$	\$
Trade payables	1,116,955	1,081,103
Other payables		
- Accrued operating expenses	710,787	722,062
- Deposits payable	65,656	105,973
- Sundry creditors	11,555	-
- Amount due to Ministry of Defence	110,284	82,979
	<u>2,015,237</u>	<u>1,992,117</u>

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

13. Deferred operating grants

	2017	2016
	\$	\$
<u>Operating grants</u>		
Beginning of financial year	2,391,923	1,495,265
Add: Grants received during the year	12,631,847	12,511,659
Less: Amount transferred to income statement	(11,934,275)	(11,203,042)
Less: Amount transferred to deferred capital grants (Note 14)	(955,840)	(411,959)
End of financial year	<u>2,133,655</u>	<u>2,391,923</u>

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

14. Deferred capital grants

	2017	2016
	\$	\$
Beginning of financial year	2,440,902	3,307,234
Add: Transferred from grants received (Note 13)	955,840	411,959
	<u>3,396,742</u>	3,719,193
Less: Amortisation of deferred capital grants	(1,055,617)	(1,233,478)
Less: Transfer to income statement for assets written off/disposed during the year	(59,789)	(44,813)
End of financial year	<u>2,281,336</u>	<u>2,440,902</u>

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

15. Commitments

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

The Company leases the premises it occupies and a photocopier. The leases have varying terms, escalation clauses and renewal rights.

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

	2017	2016
	\$	\$
Not later than one year	831,456	1,641,456
Between one and five years	7,152	838,608
	<u>838,608</u>	<u>2,480,064</u>

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

The Company sub-leases a portion of the premises it occupies. The leases have varying terms, escalation clauses and renewal rights.

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

	2017	2016
	\$	\$
Not later than one year	53,231	6,935
Between one and five years	9,364	-
	<u>62,595</u>	<u>6,935</u>

16. 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 Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement, and exposure limits. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Financial risk management (continued)

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by the management team.

(a) *Market risk*

(i) *Currency risk*

The Company transacts its business mainly in its functional currency, and does not have significant exposure to foreign currency risk.

(ii) *Interest rate risk*

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Fixed deposits are at fixed rates and the Company has no significant interest-bearing liabilities.

(b) *Credit risk*

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company.

The maximum exposure of the Company's credit risk is the carrying amount of financial assets in the balance sheet. The major classes of financial assets of the Company are cash and bank deposits and trade and other receivables. The Company trades only 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.

(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 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.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Financial risk management (continued)

(b) Credit risk (continued)

There was no impairment to the carrying amount of trade receivables.

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

	2017	2016
	\$	\$
Past due 31 – 60 days	23,037	64,493
Past due 61 – 90 days	325	1,000
Past due 91 – 120 days	-	-
More than 120 days	1,466	7,366
	<u>24,828</u>	<u>72,859</u>

The movement in the related allowance for impairment are as follows:

	2017	2016
	\$	\$
Beginning of financial year	-	1,412
Allowance reversed	-	(1,412)
	<u>-</u>	<u>-</u>

(c) 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 table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Financial risk management (continued)

(c) *Liquidity risk* (continued)

	2017	2016
	\$	\$
Less than 1 year:		
Trade and other payables	2,015,237	1,992,117

(d) *Capital risk*

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.

The Company monitors capital using total assets value. The total assets value is as follows:

	2017	2016
	\$	\$
Total assets	6,430,228	6,824,942

(e) *Financial instruments by category*

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

The aggregate carrying amounts of cash and cash equivalents and receivables and financial liabilities at the end of reporting period are as follows:

	2017	2016
	\$	\$
Cash and cash equivalents and receivables	3,881,472	4,138,279
Financial liabilities	2,015,237	1,992,117

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

17. Related party transactions

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

(a) Sales and purchase of goods and services

	2017 \$	2016 \$
Management fee income from Army Museum of Singapore	2,203,364	2,139,650
Rental of premises paid to Ministry of Defence	1,620,000	1,620,000
Contract management fee from Ministry of Defence	-	343,545
Settlement of exhibits expenses on behalf of Ministry of Defence	23,386	-
	<u>23,386</u>	<u>-</u>

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2017 \$	2016 \$
Salaries and other short-term employee benefits	845,243	762,785
Post-employment benefits – contribution to CPF	47,460	40,715
	<u>892,703</u>	<u>803,500</u>

The compensation to directors of the Company included in the above amounted to \$892,703 (2016: \$803,500).

18. New or revised accounting standards and interpretations

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2017. Except for FRS 116, management anticipates that the adoption of the other standards, amendments or interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption on the financial statements of the Company in the period of their initial adoption. The nature of the impending changes are described below:

SINGAPORE DISCOVERY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

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 leases of \$838,608 (Note 15(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 profit and classification of each cash flows.

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

Management is currently assessing the effects of applying the new standard on the financial statements. At this stage, the Company is not able to estimate the impact of the new rules on the financial statements. The Company will make more detailed assessment of the impact over the next twelve months.

19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Discovery Centre Ltd on 27 June 2017.