

**SATHECOLLECTIVE LTD.**

(Incorporated in the Republic of Singapore)

**FINANCIAL STATEMENTS – 31 MARCH 2018**

**M Barak & Co.**

**Public Accountants and Chartered Accountants  
Singapore**

**SATHECOLLECTIVE LTD.**

*A Company limited by Guarantee*

**FINANCIAL STATEMENTS – 31 MARCH 2018**

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DIRECTORS  
Tse Zhuoying Natalie Alexandra  
Chia Qilong, Andy  
Timothy O' Dwyer  
Lum Chee Hoo  
Wai Kar Foon Charmaine

SECRETARY  
Yasmin Binte Syed Ahmad

REGISTRATION  
NUMBER  
2016-29632-R

DATE OF  
INCORPORATION  
28 October 2016

COUNTRY OF  
INCORPORATION  
Singapore

CURRENCY  
Singapore Dollar

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

**DIRECTORS' STATEMENT**

The directors present their annual statement to the members together with the financial statements of the Company for the financial year ended 31 March 2018.

**OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in fund and cash flows of the Company for the year then ended; and
- (a) at the date of this statement, there are reasonable grounds to believe that the Company is able to meet its liabilities as and when they fall due.

**DIRECTORS**

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

Tse Zhuoying Natalie Alexandra	
Chia Qilong, Andy	
Timothy O' Dwyer	(Appointed on 8 November 2017)
Lum Chee Hoo	(Appointed on 8 November 2017)
Wai Kar Foon Charmaine	(Appointed on 8 November 2017)

**ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

During and at the end of the financial year ended, the Company was not a party to any arrangement whose object is to enable the directors to acquire through the acquisition of shares in or debentures of the Company or any other body corporate.

**DIRECTORS' INTEREST**

The Company has no share capital and its liability is limited by guarantee.

No directors holding office at the end of the financial year had any interest in the shares, share options, warrants or debentures of the Company or related corporation either at the beginning or end of the financial year ended.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

**AUDITORS**

The auditors, Messrs M Barak & Co, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

*On behalf of the board of directors*



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**Tse Zhuoying Natalie Alexandra**  
Director



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**Chia Qilong, Andy**  
Director

Singapore  
16 August 2018



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SATHECOLLECTIVE LTD.**

(Incorporated in the Republic of Singapore)

*A Company limited by Guarantee*

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of SATHECOLLECTIVE Ltd., which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in fund and changes in cash flows of the Company for the year ended on that date.

***Basis for Opinion***

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

***Other Information***

The Directors are responsible for the other information. The other information comprises the Directors' statement.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially consistent 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 the fact. We have nothing to report in this regard.

***Management's Responsibility for the Financial Statements***

The Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from 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 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 the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditors' Responsibility for the Audit of the Financial Statements***

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

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

- (a) 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;
- (b) 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;
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;

- (d) conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- (e) 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 Management 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.



**M Barak & Co.**  
Public Accountants &  
Chartered Accountants

Singapore  
16 August 2018

**SATHECOLLECTIVE LTD.**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2018**

<b>ASSET</b>	Notes	2018 \$	Restated 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	25,038	25,444
Other receivable	4	782	-
<b>Total Current Assets</b>		<b>25,820</b>	<b>25,444</b>
<b>TOTAL ASSETS</b>		<b>25,820</b>	<b>25,444</b>
<b>LIABILITIES AND FUND</b>			
<b>CURRENT LIABILITIES</b>			
Other payable	5	5,414	5,100
Amount owing to director	6	15,423	15,323
<b>Total current liabilities</b>		<b>20,837</b>	<b>20,423</b>
<b>FUND</b>			
General fund		4,983	5,021
<b>TOTAL LIABILITIES AND FUND</b>		<b>25,820</b>	<b>25,444</b>

The accompanying notes form part of these statutory financial statements



**SATHECOLLECTIVE LTD.**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 \$	Restated *28 October 2016 to 31 March 2017 \$
<b>REVENUE</b>	7	125,948	121,296
<b>COST OF SERVICES</b>		(68,911)	(66,135)
<b>GROSS OPERATING INCOME</b>		57,037	55,161
<b>OTHER INCOME</b>		34	3
<b>ADMINISTRATIVE EXPENSES</b>		(26,592)	(16,906)
<b>OTHER OPERATING EXPENSES</b>		(30,517)	(33,237)
<b>(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD BEFORE TAX</b>		(38)	5,021
<b>INCOME TAX</b>	8	-	-
<b>(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD AFTER TAX / TOTAL COMPREHENSIVE INCOME</b>		(38)	5,021

**\* Date of incorporation**

The accompanying notes form part of these statutory financial statements

**SATHECOLLECTIVE LTD.**  
**STATEMENT OF CHANGES IN FUND**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Restated General Fund \$
<b>Balance as at 28 October 2016*</b>	-
Surplus for the period after tax	5,021
<b>Balance as at 31 March 2017</b>	<u>5,021</u>
Deficit for the year after tax	(38)
<b>Balance as at 31 March 2018</b>	<u><u>4,983</u></u>

**\* Date of Incorporation**

The accompanying notes form part of these statutory financial statements

**SATHECOLLECTIVE LTD.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 \$	Restated *28 October 2016 to 31 March 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Deficit/(Surplus) for the year/period before tax		(38)	5,021
<b>CHANGES IN WORKING CAPITAL</b>			
Other receivable		(782)	-
Other payable		314	5,100
<b>CASH FLOWS (USED IN)/GENERATED FROM WORKING CAPITAL</b>		<u>(506)</u>	<u>10,121</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Amount owing to director		100	15,323
<b>NET CASH GENERATED FROM FINANCING ACTIVITY</b>		<u>100</u>	<u>15,323</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(406)	25,444
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD</b>		25,444	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD</b>	3	<u>25,038</u>	<u>25,444</u>

**\* Date of incorporation**

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**1 GENERAL INFORMATION**

SATheCollective Ltd. (the “Company”) with Co. Reg No 201629632R is domiciled and incorporated on 28 October 2016 in the Republic of Singapore as a Company limited by guarantee.

The registered office of the Company is located at 90 Goodman Road, #05-02, Goodman Arts Centre, Singapore 439053.

The principal activities of the Company are to promote and develop dramatic arts, music and other arts production-related activities. There have been no significant changes in the Company’s activities during the financial year.

***Members’ Guarantee***

The Company is a company 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 \$1.00 per member. As at 31 March 2018, the Company has 5 members.

These financial statements were approved by the board of directors and authorised for issue on the date of directors’ statements.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

The financial statements have been prepared in accordance with the Singapore Companies Act, Cap 50 (“the Act”) and Singapore Financial Reporting Standards (“FRS”) issued by the Accounting Standards Council.

**Basis of preparation**

**(i) *Functional and presentation currency***

The financial statements are expressed in Singapore Dollars (S\$), which is the Company’s functional and presentation currency.

**(ii) *Basis of measurement***

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

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**(iii) Adoption of new and revised standards**

The company has adopted all the new and revised SFRS and Interpretations of SFRS (“INT SFRS”) that are relevant to its operations. The adoption of these new / revised SFRS and INT SFRS does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current year ends.

**(iv) Adoption of new and revised standards not effective yet**

At the date of authorisation of these financial statements, management has considered and anticipated that the adoption of the SFRS and amendments to the SFRS that were issued but not effective yet will not have a material impact on the financial statements of the Company in the year ended of their initial adoption except for the accounting standard on FRS 116 Operating Lease effective from 1 January 2019.

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year ended. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter year ended. Income and expense is recognised on an effective interest basis for debt instruments.

**Financial assets**

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When the financial assets are recognised initially, they are measured at fair value, plus transaction costs.

Loans and receivables

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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The Company classifies the following financial assets as loans and receivables:

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. This is subject to an insignificant risk of changes in value.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Other payable is initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method with interest expenses recognised on an effective yield basis, except for short-term payables where the recognition of interest would be immaterial.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

**PROVISIONS** - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**REVENUE RECOGNITION** – Revenue is recognised to the extent that 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 consideration received or receivable.

*Income from events*

Revenue from events collection are recognised as earned when the event has been completed. Third party events are recognised when the work is completed and accepted by organiser. Revenue represents net invoiced value.

*Grants*

Grants are received from the Government of Singapore and its related agencies.

Grants are recognised as a receivable at 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 receivable are recognised as income over the years necessary to match them with related costs which they are intended to compensate on a systematic basis. Government grants relating to expenses are shown separately as other income.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**LEASES** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rentals payable under operating leases are charged to statement of comprehensive income on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year ended. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other year ends and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted by the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax base used in the computation of taxable profit, and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**CURRENCY TRANSLATION**

*Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements are presented in Singapore Dollars, which is the Company’s functional and presentation currency.

*Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the date of transactions. Currency translations gains and losses resulting from the settlement of such transactions and translations at year ended-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss shall be recognised directly in equity. The translation difference is taken directly to Currency Translation Reserve within equity.

**RELATED PARTY TRANSACTIONS**

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

**CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS** - The preparation of financial statements in conformity with FRS requires the use of estimated and assumptions, which affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year ended. Although these estimates are based on directors’ best knowledge of the current events and actions, actual results may ultimately differ from those estimates.

Estimates, assumptions and judgments 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.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**3 CASH AND CASH EQUIVALENTS**

For the purposes of cash flow statement, the cash and cash equivalents comprise the following:

	2018	2017
	\$	\$
Cash at bank	<u>25,038</u>	<u>25,444</u>

The cash and cash equivalents are denominated in Singapore Dollars and their carrying amounts approximate their fair value.

**4 OTHER RECEIVABLE**

	2018	2017
	\$	\$
Deposits	<u>782</u>	<u>-</u>

The other receivable is denominated in Singapore Dollars and their carrying amounts approximate their fair value.

**5 OTHER PAYABLE**

	2018	2017
	\$	\$
Accruals	<u>5,414</u>	<u>5,100</u>

The other payable is denominated in Singapore Dollars and their carrying amounts approximate their fair value.

**6 AMOUNT OWING TO DIRECTOR**

The amount owing to director of \$15,423 (2017: \$15,323) is unsecured, interest-free and generally on immediate term.

Amount owing to related party is denominated in Singapore Dollars and its carrying amounts approximate its fair value.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

**7 REVENUE**

	2018	Restated *28 October 2016 to 31 March 2017
	\$	\$
Shows, concerts and events	29,192	32,407
Recording and artist fees	8,300	-
Rental of studio space	50	-
Merchandise	-	425
Donations	720	3,574
NAC Grants, subsidies, honorarium and events	87,686	69,163
Benefits in-kind	-	8,138
Pre-incorporation income	-	7,589
	<u>125,948</u>	<u>121,296</u>

**8 INCOME TAX**

Domestic income tax is calculated at 17% of the estimated assessable surplus for the year.

	2018	*28 October 2016 to 31 March 2017
	\$	\$
Current year tax expense	<u>-</u>	<u>-</u>

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to surplus before income tax due to the following factors.

	2018	*28 October 2016 to 31 March 2017
	\$	\$
(Deficit)/Surplus before income tax	<u>(38)</u>	<u>5,021</u>
Tax calculated at a tax rate of 17%	(6)	854
Expenses not deductible for tax purposes	634	442
Singapore tax full exemption	<u>(628)</u>	<u>(1,296)</u>
Total income tax	<u>-</u>	<u>-</u>

**\* Date of Incorporation**

**SATHECOLLECTIVE LTD.**  
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*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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**9 (DEFICIT)/SURPLUS FROM OPERATIONS**

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the operating surplus includes the following charges:

	2018	*28 October 2017 to 31 March 2018
	\$	\$
Honorarium – directors (included in the Cost of Services)	9,800	24,250
Performance – directors (included in the Cost of Services)	14,940	-
Rental of office	20,332	11,959
Director’s salaries and CPF	<u>14,995</u>	<u>-</u>

**\* Date of Incorporation**

**10 DEFERRED INCOME TAXES**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes related to the same fiscal authority.

Deferred income tax represents the estimated tax expense at current income tax rates when there is a timing difference between tax and accounting principles.

**11 RELATED PARTY TRANSACTIONS**

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

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties during the financial year ended at terms agreed by the parties concerned.

**Key management’s remuneration**

The key management’s remuneration was mainly artistic work fee to directors computed based on cost incurred by the Company, and where the Company did not incur any costs, the value of the benefit is included.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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The key management's remuneration is as follows:

	2018	2017
Key management of the Company:	\$	\$
Honorarium – directors	9,800	24,250
Performance - directors	14,940	-
Director's salaries and CPF	<u>14,995</u>	<u>-</u>

## **12 COMMITMENTS UNDER OPERATING LEASE**

The Company as lessee

	2018	2017
	\$	\$
Payments recognised as an expense during the year:		
Minimum lease payments under operating lease	<u>20,332</u>	<u>11,959</u>

As at statement of financial position date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	\$	\$
Within one year	2,910	511
Later than one year but within five years	<u>3,395</u>	<u>-</u>

## **13 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND FINANCIAL RISK MANAGEMENT**

The main risks arising from the Company's financial instruments are liquidity risk, interest risk and capital risk. The Directors review and agree policies for managing these risks and they are summarised as follows:

### **Liquidity risk**

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In adopting a prudent liquidity risk management, the management places its available funds in current accounts with creditworthy and reputable financial institutions, namely the banks.

For the analysis of the maturity profile of the Company's financial liabilities based on contractual or undiscounted cash flow, the other payable is due less than 1 year ended.

**SATHECOLLECTIVE LTD.**  
*A Company limited by Guarantee*

*Accounting policies and explanatory notes to the financial statements for the year ended 31 March 2018*

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The Company manages the liquidity risk by maintaining sufficient cash to enable it to meet its normal operating commitments.

**Credit risk**

Credit risk refers to the risk that counterparty will default on its obligation resulting in a loss to the Company.

*Financial assets that are past due but not impaired*

There is no other class of financial assets that is past due and or impaired.

No other financial assets carry a significant exposure to credit risk.

**Interest risk**

Interest rate risk is the risk that the fair values of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is not expected to incur interest rate risk as there was no interest bearing financial liability instruments as at the year end nor is there any plans to secure them in the future.

**Capital risk management policies and objectives**

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company consists of the general fund. The Company's overall strategy has remained unchanged during the financial year ended.

**Fair value of financial assets and financial liabilities**

The carrying values of financial assets and financial liabilities as reported in the statement of financial position are assumed to approximate their fair values due to short-term maturity of the financial instruments.

**13 PRIOR PERIOD ERROR**

Pre-incorporation income and expenses and benefits in-kind were not accounted for in prior year, which result in overstatement of general fund by \$9,405. The Company has made the following adjustments relating to prior year comparative to better reflect the nature of the transactions. The impact of the correction is as follows:

	2017
	\$
Increase in amount owing to director	9,405
Decrease in general fund	9,405

**SATHECOLLECTIVE LTD.**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2018**

	2018	Restated *28 October 2016 to 31 March 2017
	\$	\$
<b>REVENUE</b>		
Shows, concerts and events	29,192	32,407
Recording and artist fees	8,300	-
Rental of studio space	50	-
Merchandise	-	425
Donations	720	3,574
NAC Grants, subsidies, honorarium and events	87,686	69,163
Benefits in-kind	-	8,138
Pre-incorporation income	-	7,589
	125,948	121,296
 <b>Less: COST OF SERVICES</b>		
Accommodation	6,801	663
Album packaging	-	3,730
Allowances to crews/volunteers	10,820	6,200
Honorarium - Directors	9,800	24,250
Performance - Directors	14,940	-
Food and beverages	1,537	259
Rental of equipment	-	8,500
Rental of venue	-	2,370
Travelling & transportation	7,331	4,484
Merchandise	-	277
Musician, coordinator, designer	17,682	5,670
Event expenses	-	9,732
	68,911	66,135
 <b>GROSS OPERATING INCOME</b>	 57,037	 55,161
 <b>Add: OTHER INCOME</b>		
Interest income	34	3
 <b>TOTAL INCOME</b>	 57,071	 55,164
 <b>Less: OPERATING EXPENSES (ANNEX A)</b>		
	(57,109)	(50,143)
 <b>(DEFICIT)/SURPLUS FOR THE YEAR/PERIOD</b>	 (38)	 5,021

\* Date of incorporation

The above schedule does not form part of the statutory financial statements

**SATHECOLLECTIVE LTD.**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2018**

**ANNEX A**

Restated

\*28 October 2016

to 31 March 2017

2018

\$

\$

**ADMINISTRATIVE EXPENSES:**

Audit fee	3,690	2,200
Bookkeeping	2,570	2,570
Rental of office	20,332	11,959
Travelling & transportation	-	177
	26,592	16,906

**OTHER OPERATING EXPENSES:**

Bank charges	496	10
Consultancy fee	50	-
Contract charges	6,637	4,725
Director's salaries and CPF	14,995	-
General expenses	354	231
Incorporation fee	-	1,880
Non-capitalised assets	3,211	541
Printing, postage and stationery	490	153
Refreshments	-	95
Repair and maintenance	280	140
Secretarial fee	1,339	330
Telecommunication and internet	2,184	-
Utilities	481	-
Benefits in-kind	-	8,138
Pre-incorporation expenses	-	16,994
	30,517	33,237

**TOTAL OPERATING EXPENSES**

57,109

50,143

**\* Date of incorporation**

The above schedule does not form part of the statutory financial statements