SINGAPORE CHINESE DANCE THEATRE
(Formerly known as Singapore Hokkien Huay Kuan Dance Theatre Limited)
(Co. Reg. No. 201419196W)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

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SINGAPORE CHINESE DANCE THEATRE

COMMITTEE OF MANAGEMENT'S STATEMENT

The Committee of Management all of whom are directors of Singapore Chinese Dance Theatre (the "Company") are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2016.

In the opinion of the Committee of Management:

(i) the financial statements as set out on pages 5 to 17 are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and

(ii) 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.

Committee of Management

The committee members in office at the date of this statement are:

Chua Thian Poh (Appointed on 1 October 2016)
Peh Nam Chuan Adrian
Chan Hock Keng
Leong Weng Kam
Neo Peng Fu
Teo Han Wue

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Committee of Management

Chua Thian Poh
Chairman

Peh Nam Chuan Adrian
Treasurer

12 May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE CHINESE DANCE THEATRE

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Chinese Dance Theatre (the "Company") as set out on pages 5 to 17, which comprise the balance sheet as at 31 December 2016, and the statement of comprehensive income, statement of changes in accumulated fund 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 December 2016 and of the financial performance, changes in accumulated fund 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 (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 Committee of Management is responsible for the other information. The other information comprises the Committee of Management's Statement as set out on page 1.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE CHINESE DANCE THEATRE (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of the Committee of Management and Those Charged with Governance for the Financial Statements

The Committee of 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, 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, the Committee of 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 Committee of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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 the Committee of Management.

Report on the Audit of the Financial Statements (cont'd)

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

- Conclude on the appropriateness of the Committee 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.

Report on Other Legal and Regulatory Requirements

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

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

(i) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(ii) the Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

12 May 2017

SINGAPORE CHINESE DANCE THEATRE

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2016

	Note	**2016** **$**	2015 $
Income			
Registration and tuition fees		**233,483**	191,848
Membership fees		**3,280**	–
Government grants		**366,668**	419,020
Core programmes income		**87,714**	124,116
Community and educational programmes income		**155,695**	154,263
Donation income		**118,818**	282,112
Sundry income		**70,563**	10,214
Total income		**1,036,221**	1,181,573
Less expenses			
Lecturers' fees		**64,925**	47,597
Core programmes expenses		**123,933**	140,275
Community and educational programmes expenses		**110,772**	64,319
Depreciation of plant and equipment	5	**3,991**	4,676
Management fees		**36,000**	18,000
Staff costs	3	**345,047**	279,162
Services fees		**139,658**	93,906
Other expenses		**53,917**	42,691
Total expenses		**878,243**	690,626
Profit before tax		**157,978**	490,947
Tax expense	4	**–**	–
Profit and total comprehensive income for the financial year		**157,978**	490,947

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

SINGAPORE CHINESE DANCE THEATRE

BALANCE SHEET
At 31 December 2016

	Note	**2016** **$**	2015 $
Non-current asset			
Plant and equipment	5	**4,825**	8,816
Current assets			
Other receivables	6	**173,343**	278,473
Fixed deposits	7	**545,120**	185,001
Bank balances		**74,024**	112,434
		792,487	575,908
Total assets		**797,312**	584,724
Current liabilities			
Other payables	8	**185,682**	131,072
Net assets		**611,630**	453,652
Accumulated fund		**611,630**	453,652

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

SINGAPORE CHINESE DANCE THEATRE

STATEMENT OF CHANGES IN ACCUMULATED FUND
For the financial year ended 31 December 2016

	$
Balance at 1 January 2015	(37,295)
Profit and total comprehensive income for the financial year	490,947
Balance at 31 December 2015	453,652
Profit and total comprehensive income for the financial year	157,978
Balance at 31 December 2016	**611,630**

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

SINGAPORE CHINESE DANCE THEATRE

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2016

	2016	2015
	$	$
Cash flows from operating activities		
Profit before tax	**157,978**	490,947
Adjustment for:		
Depreciation of plant and equipment	**3,991**	4,676
Operating cash flows before movements in working capital	**161,969**	495,623
Other receivables	**105,130**	(269,738)
Other payables	**54,610**	33,010
Net cash generated from operating activities	**321,709**	258,895
Cash flows from investing activity		
Purchase of plant and equipment (Note A), represents net cash used in investing activity	**–**	(14,367)
Net increase in cash and cash equivalents	**321,709**	244,528
Cash and cash equivalents at beginning of financial year	**297,435**	52,907
Cash and cash equivalents at end of financial year	**619,144**	297,435
Cash and cash equivalents comprise:		
Fixed deposits	**545,120**	185,001
Bank balances	**74,024**	112,434
	619,144	297,435

Note A: Purchase of plant and equipment

Aggregate cost of plant and equipment acquired (Note 5)	**–**	6,443
Add: Outstanding payable included in amount due to related party under other payables at 1 January	**–**	7,924
Net cash outflow for purchase of plant and equipment	**–**	14,367

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

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

1 Corporate information

The Company (Co. Reg. No. 201419196W) is incorporated and domiciled in Singapore. Its registered office is located at 5 Sennett Road, Singapore 466781.

The principal activities of the Company are principally engaged in the business of production of live cultural dance drama and other stage performance, and charitable and other supporting activities aimed at advancing arts and heritage.

On 15 February 2017, the Company's name is changed from Singapore Hokkien Huay Kuan Dance Theatre Limited to Singapore Chinese Dance Theatre.

The Company has been approved as an Institution of a Public Character under the Charities Act for a period of 1 year with effect from 17 February 2016.

On 7 February 2017, this status is extended for another 1 year with effect from 17 February 2017 to 16 February 2018.

In accordance with the Memorandum of Association, each member of the Company has undertaken to contribute such amount not exceeding $1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollar ("$"), which is the Company's functional currency, have been prepared in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Committee of Management's best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

The carrying amounts of cash and cash equivalents, current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2016 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company except as disclosed below:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company plans to adopt the standard when it becomes effective in financial year ending 31 December 2018. The Company is currently performing a detailed assessment of the impact and quantifying the transaction adjustments on its financial statements.

FRS 109 Financial Instruments

FRS 109 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

(i) *Classification and measurement*

While the Company has yet to undertake a detailed assessment of the classification and measurement of its financial assets, the Company does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under FRS 109.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

FRS 109 Financial Instruments (cont'd)

(ii) *Impairment*

FRS 109 requires the Company to record expected credit losses on all of its loans and receivables, either on a 12-month or lifetime basis. The Company has not undertaken a detailed assessment of the impact of the impairment provisions under FRS 109 but the Company expects that the new expected loss model may result in an earlier recognition of credit losses.

The Company plans to adopt the standard when it becomes effective in financial year ending 31 December 2018.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and related cost can be reliably measured.

Registration and tuition fees and programmes income are recognised when the fees are due and payable.

Donation income is recognised when it is received.

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised as income over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised as income over the period necessary to match them on a systematic basis to the expense that it is intended to compensate.

(d) Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Summary of significant accounting policies (cont'd)

(e) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore ("CPF"), a defined contribution plan. Contributions to CPF are charged to profit or loss in the period in which the related service is performed.

(f) Income taxes

The Company is a registered charity and exempted from income tax under the provisions of the Income Tax Act.

(g) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and any impairment in value. Depreciation is charged so as to write off the cost of the plant and equipment over their estimated useful lives, using the straight-line method as follows:

	Years
Furniture, fittings and equipment	5
Computers	3

The residual values, estimated useful lives and depreciation method of 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.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

2 Summary of significant accounting policies (cont'd)

(i) Financial assets

The Company's only financial assets are "loans and receivables" which comprise other receivables (excluding prepayments), fixed deposits and bank balances on the balance sheet.

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less impairment. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

(j) Financial liabilities

Financial liabilities include other payables (excluding fees received in advance and deferred income) which are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the Committee of Management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

3 Staff costs

	2016 $	2015 $
Salaries and related costs	**307,006**	246,107
CPF	**38,041**	33,055
	345,047	279,162

Compensation of key management personnel of the Company included in staff costs are as follows:

	2016 $	2015 $
Salaries and related costs	**109,879**	105,432
CPF	**17,475**	16,813
	127,354	122,245

4 Tax expense

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory tax rate of income tax to profit before tax due to the following factors:

	2016 $	2015 $
Profit before tax	**157,978**	490,947
Tax calculated at a tax rate of 17%	**26,856**	83,461
Others - tax exempt status	**(26,856)**	(83,461)
	–	–

5 Plant and equipment

	Furniture, fittings and equipment $	Computers $	Total $
2016			
Cost			
At 1 January 2016 and 31 December 2016	**8,701**	**6,766**	**15,467**
Accumulated depreciation			
At 1 January 2016	2,270	4,381	6,651
Depreciation	1,740	2,251	3,991
At 31 December 2016	**4,010**	**6,632**	**10,642**
Net carrying value			
At 31 December 2016	**4,691**	**134**	**4,825**

5 Plant and equipment (cont'd)

	Furniture, fittings and equipment $	Computers $	Total $
2015			
Cost			
At 1 January 2015	2,648	6,376	9,024
Additions	6,053	390	6,443
At 31 December 2015	8,701	6,766	15,467
Accumulated depreciation			
At 1 January 2015	530	1,445	1,975
Depreciation	1,740	2,936	4,676
At 31 December 2015	2,270	4,381	6,651
Net carrying value			
At 31 December 2015	6,431	2,385	8,816

6 Other receivables

	2016 $	2015 $
Other receivables	**40,158**	9,410
Grants receivables	**132,760**	265,923
Prepayments	**225**	2,940
Deposits	**200**	200
	173,343	278,473

7 Fixed deposits

All fixed deposits mature within 6 (2015: 6) months from the balance sheet date and earn interest rates ranging from 0.05% to 0.15% (2015: 0.05% to 0.15%) per annum.

8 Other payables

	2016 $	2015 $
Amount due to related party	**–**	3
Other payables	**15,388**	5,288
Accrued operating expenses	**46,971**	36,792
Fees received in advance	**60,823**	51,489
Deferred income	**62,500**	37,500
	185,682	131,072

In 2015, the amount due to related party was non-trade, unsecured, interest-free and payable on demand. The amount due to related party was fully settled during the current financial year.

9 Related party transactions

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

	2016 $	2015 $
With related parties		
Donation income	**80,000**	263,590
Management fees	**36,000**	18,000
Services fees	**139,658**	93,906

Related parties refer to companies in which certain committee members of the Company are also the director of such companies.

10 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2016 $	2015 $
Financial assets		
Other receivables	**173,118**	275,533
Fixed deposits	**545,120**	185,001
Bank balances	**74,024**	112,434
Loans and receivables	**792,262**	572,968
Financial liabilities		
Financial liabilities at amortised cost - other payables	**62,359**	42,083

(b) Financial risk management

The Company's activities expose to minimal financial risks and overall risk management is determined and carried out by the Committee of Management.

The Company does not have any significant concentration of credit risk except for fixed deposits and bank balances placed with a reputable financial institution. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. Cash and cash equivalents are placed with a reputable financial institution which is regulated and has good credit standing. At the balance sheet date, there are no financial assets that are either past due and/or impaired.

The Company is not significant exposed to interest rate risk or foreign exchange risk.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

10 Financial instruments (cont'd)

(c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their respective fair values due to relatively short-term maturity of these financial instruments.

11 Capital management

The Company's objectives when managing its capital are to safeguard and maintain adequate working capital to continue as a going concern. The Company's capital comprises its accumulated fund on the balance sheet.

No changes were made to the Company's capital management objectives or policies during the financial year ended 31 December 2016 and 31 December 2015.

12 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Committee of Management dated 12 May 2017.