Financial statements

Defence Collective Singapore Ltd

(A company limited by guarantee and not having a share capital)

(Established under the Charities Act 1994)

31 March 2024

Company information

Company registration number	199307558M
Registered office	510 Upper Jurong Road Singapore 638365
Directors	Ang Cheng Guan Chung May Khuen Goh Pei Ming Huang Shao-Ning Kwek Lian Seng, Melvin Leonard Tan Bahroocha Loh Wee Cheng Muhamad Imaduddien bin Abd Karim Neo Poh Choo Elaine Seah Ting Han, Jeffrey Tan Boon Kiat Tan Ling Hui, Deanne Tan Miao Ken May
Secretary	Lee Chai Boon LLP Advocates & Solicitors 1 Coleman Street #10-02A The Adelphi Singapore 179803
Bankers	DBS Bank Ltd Oversea-Chinese Banking Corporation Limited
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 1 Raffles Place #04-61/62 One Raffles Place Tower 2 Singapore 048616

Contents

Directors' statement
for the financial year ended 31 March 2024

The directors submit this annual report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2024.

Opinion of the directors
In the opinion of the directors,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Charities Act 1994 and other relevant regulations, and Financial Reporting Standards in Singapore; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Name of directors
The directors of the Company in office at the date of this report are:

Ang Cheng Guan
Chung May Khuen
Goh Jerica (Resigned on 14 June 2024)
Goh Pei Ming (Appointed on 26 February 2024)
Huang Shao-Ning
Kwek Lian Seng, Melvin
Leonard Tan Bahroocha
Loh Wee Cheng
Muhamad Imaduddien bin Abd Karim
Neo Poh Choo Elaine (Appointed on 1 March 2024)
Seah Ting Han, Jeffrey
Tan Boon Kiat
Tan Ling Hui, Deanne (Appointed on 14 June 2024)
Tan Miao Ken May

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

Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debentures, dividends or share options are not applicable.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

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NEO POH CHOO ELAINE

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TAN BOON KIAT

Dated: 16 July 2024

Independent auditor's report to the member of Defence Collective Singapore Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Defence Collective Singapore Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act'), the Singapore Charities Act 1994 and other relevant regulations ('the Charities Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the Statement by Directors is set out on pages 1 to 2 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 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 member of Defence Collective Singapore Ltd (Cont'd)

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

Responsibilities of management and directors for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

Independent auditor's report to the member of Defence Collective Singapore Ltd (Cont'd)

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

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

FooKonTanLLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 16 July 2024

Statement of financial position
as at 31 March 2024

	Note	**31 March 2024** **$**	31 March 2023 $
ASSETS			
Non-Current			
Property, plant and equipment	4	**12,799,055**	11,079,682
Current			
Inventories - merchandise		**22,848**	25,542
Trade and other receivables	5	**1,351,300**	1,092,769
Cash and fixed deposits	6	**14,214,009**	10,846,162
		15,588,157	11,964,473
Total assets		**28,387,212**	23,044,155
RESERVES			
Accumulated surplus		**8,648,004**	6,842,683
LIABILITIES			
Non-Current			
Deferred capital grants	8	**7,280,422**	7,247,266
Lease liabilities	7	**1,365,000**	5,013
		8,645,422	7,252,279
Current			
Deferred capital grants	8	**2,857,617**	2,617,725
Grants received in advance	9	**1,812,203**	916,622
Lease liabilities	7	**341,765**	1,209,678
Trade and other payables	10	**6,082,201**	4,205,168
		11,093,786	8,949,193
Total liabilities		**19,739,208**	16,201,472
Total reserves and liabilities		**28,387,212**	23,044,155

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of comprehensive income
for the financial year ended 31 March 2024

	Note	Year ended 31 March 2024 $	Year ended 31 March 2023 $
Income			
Revenue	11	**4,891,959**	4,027,342
Other income	12	**525,364**	454,309
		5,417,323	4,481,651
Expenditure			
Cost of inventories		**(28,574)**	(33,468)
Employee compensation	13	**(9,776,943)**	(9,399,580)
Other operating expenses	13	**(13,833,870)**	(10,848,406)
Interest expense		**(470)**	(470)
		(23,639,857)	(20,281,924)
Deficit for the year before grants		**(18,222,534)**	(15,800,273)
Grants			
Grants received from MINDEF		**14,603,775**	14,942,939
Operating grants utilised		**334,798**	454,237
Rental grant utilised		**2,113,031**	1,624,280
Assets written off/disposed under deferred capital grants	8	**49,652**	22,661
Deferred capital grants amortised	8	**2,926,599**	2,682,107
		20,027,855	19,726,224
Net surplus for the year, representing total comprehensive income for the year		**1,805,321**	3,925,951

Statement of changes in equity
for the financial year ended 31 March 2024

	Accumulated surplus $
At 1 April 2022	**2,916,732**
Surplus for the year, representing total comprehensive income for the year	**3,925,951**
At 31 March 2023	**6,842,683**
Surplus for the year, representing total comprehensive income for the year	**1,805,321**
At 31 March 2024	**8,648,004**

Statement of cash flows
For the financial year ended 31 March 2024

	Note	**Year ended 31 March 2024 $**	Year ended 31 March 2023 $
Cash flows from operating activities			
Deficit for the year before grants		**(18,222,534)**	(15,800,273)
Adjustments for:			
Interest income	12	**(317,051)**	(138,390)
Interest expense		**470**	470
Depreciation expense	4	**5,049,379**	4,284,414
Loss on disposal/write-off of property, plant and equipment		**50,282**	125,317
Operating deficit before working capital changes		**(13,439,454)**	(11,528,462)
Changes in inventories		**2,694**	2,630
Changes in trade and other receivables	5	**(165,435)**	(478,731)
Changes in trade and other payables	10	**1,507,782**	1,113,149
Cash used in operations		**(12,094,413)**	(10,891,414)
Interest received		**297,675**	105,563
Net cash used in operating activities		**(11,796,738)**	(10,785,851)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	**(3,249,300)**	(2,914,622)
(New placement)/maturity of fixed deposits	6	**1,000,000**	(3,500,000)
Net cash used in investing activities		**(2,249,300)**	(6,414,622)
Cash flows from financing activities			
Interest expense		**(470)**	(622)
Payment of lease liabilities		**(3,077,660)**	(409,754)
Operating grants received		**19,009,733**	17,599,228
Grants received		**2,482,282**	607,151
Net cash generated from financing activities		**18,413,885**	17,796,003
Net increase in cash and cash equivalents		**4,367,847**	595,530
Cash and cash equivalents at beginning of financial year		**6,346,162**	5,750,632
Cash and cash equivalents at end of financial year		**10,714,009**	6,346,162

Statement of cash flows (Cont'd)
for the financial year ended 31 March 2024

Note A: Reconciliation of liabilities arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities, excluding equity items:

			Non-cash changes				
	1 April 2023 $	Financing cash flows $	Grants utilised $	Amortisation of deferred grants $	Transfer of funds (Note 9) $	Other changes $	**31 March 2024 $**
Grants received in advance (Note 9)	**(916,622)**	**(21,484,482)**	**17,044,071**	**-**	**3,249,299**	**295,531**	**(1,812,203)**
Deferred capital grant (Note 8)	**(9,864,991)**	**-**	**2,926,599**	**49,652**	**(3,249,299)**	**-**	**(10,138,039)**
Lease liabilities (Note 7)	**(1,214,691)**	**3,078,130**	**-**	**-**	**-**	**(3,570,204)**	**(1,706,765)**
	(11,996,304)	**(18,406,352)**	**19,970,670**	**49,652**	**-**	**(3,274,673)**	**(13,657,007)**

			Non-cash changes				
	1 April 2022 $	Financing cash flows $	Grants utilised $	Amortisation of deferred grants $	Transfer of funds (Note 9) $	Other changes $	**31 March 2023 $**
Grants received in advance (Note 9)	(1,351,264)	(18,206,379)	15,829,055	1,223,813	1,315,069	273,084	(916,622)
Deferred capital grant (Note 8)	(11,357,346)	-	2,682,107	22,661	(1,315,069)	102,656	(9,864,991)
Lease liabilities (Note 7)	(25,045)	410,376	-	-	-	(1,600,022)	(1,214,691)
	(12,733,655)	(17,796,003)	18,511,162	1,246,474	-	(1,224,282)	(11,996,304)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the financial year ended 31 March 2024

1 General information

The Company is incorporated in the Republic of Singapore as a company limited by guarantee. As at 31 March 2024, the Company has 3 (2023 - 3) members with each member's liability limited to $1 (2023 - $1).

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

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

2(a) Basis of preparation

The financial statements are prepared in accordance with provisions of the Singapore Companies Act 1967, the Charities Act 1994 and other relevant regulations and Singapore Financial Reporting Standards ("FRSs"). The financial statements have been prepared under the historical cost conversion, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

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

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

2(b) Interpretations and amendments to published standards effective in 2023

On 1 April 2023, the Company has adopted all the new and revised FRSs, interpretations ("INT FRSs") and amendments to FRSs, effective for the current financial year that are relevant to them. The adoption of these new and revises FRS pronouncements does not result in significant changes to the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

2(c) FRS not yet effective

At the date of authorisation of these financial statements, the following FRSs issued but not yet effective are relevant to the Company and have not been early adopted:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to FRS 1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to FRS 116	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to FRS 1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to FRS 7 and FRS 107	*Supplier Finance Arrangements*	1 January 2024
Amendments to FRS 21	*Lack of Exchangeability*	1 January 2025
Amendments to FRS 110 and FRS 28	*Sale of Contributions of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined

3 Material accounting policy information

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

(i) <u>Recognition and initial measurement</u>

<u>Non-derivative financial assets and financial liabilities</u>
Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

(ii) <u>Classification and subsequent measurement</u>

<u>Non-derivative financial assets</u>
On initial recognition, a financial asset is classified as measured at amortised cost.

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

3 Material accounting policy information (Cont'd)

3.1 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the stated policies and objectives for the respective financial assets and the operation of those policies in practice;
- how the performance of the respective financial assets is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model and how those risks are managed; and
- the frequency, volume and timing of disposals of financial assets in prior periods, the reasons for such disposals and its expectations about future activity.

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

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3 Material accounting policy information (Cont'd)

3.1 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

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

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

Financial assets at amortised cost

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

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses
The Company initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

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

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

(iii) De-recognition

Financial assets
The Company de-recognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not de-recognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

3 Material accounting policy information (Cont'd)

3.1 Financial instruments (Cont'd)

(iii) <u>De-recognition (Cont'd)</u>

<u>Financial liabilities</u>
The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also de-recognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

(iv) <u>Offsetting</u>

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

(v) <u>Cash and cash equivalents</u>

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

3.2 Property, plant and equipment

<u>Recognition and measurement</u>
Items of property, plant and equipment are initially measured at cost, subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

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

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

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

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

3 Material accounting policy information (Cont'd)

3.2 Property, plant and equipment (Cont'd)

Depreciation
Depreciation is based on the depreciable amount of the asset. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

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

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

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

Exhibits	3 to 10 years
Furniture and fittings	8 to 15 years
Office equipment	5 years
Computer, software and IT related equipment	3 to 5 years
Motor vehicles	10 years
Renovation	5 years
Facility and audio video equipment	5 to 10 years
Leasehold land and buildings	Over the term of the lease

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

3.3 Inventories

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

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

3.4 Impairment

(i) Non-derivative financial assets

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

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

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

3 Material accounting policy information (Cont'd)

3.4 Impairment (Cont'd)

(i) <u>Non-derivative financial assets (Cont'd)</u>

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

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

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

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

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

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

3 Material accounting policy information (Cont'd)

3.4 Impairment (Cont'd)

(i) Non-derivative financial assets (Cont'd)

Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the receivables which meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

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

Non-financial asset
As at each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3 Material accounting policy information (Cont'd)

3.4 Impairment (Cont'd)

(i) Non-derivative financial assets (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5 Leases

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

(i) As a lessee

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

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

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

Depreciation on right-of-use asset is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as set of in Note 3.2 property, plant and equipment.

3 Material accounting policy information (Cont'd)

3.5 Leases (Cont'd)

(i) As a lessee (Cont'd)

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is presented as a separate line item in the statement of financial position. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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

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

(ii) As a lessor

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

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

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

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

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

3 Material accounting policy information (Cont'd)

3.5 Leases (Cont'd)

(ii) As a lessor (Cont'd)

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

3.6 Revenue

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

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

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

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

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

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

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

<u>Ticket and retail sales</u>
Revenue is recognised at a point in time following the satisfaction of the PO, which is upon the sale of tickets and retail goods.

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

3 Material accounting policy information (Cont'd)

3.6 Revenue (Cont'd)

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

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

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

3.7 Government grants

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

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

Grants related to assets
Government grants utilised for the purchase of depreciable assets are recorded in the deferred capital grants account (shown as liability on the statement of financial position).

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

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

3.8 Employee compensation

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

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

3 Material accounting policy information (Cont'd)

3.8 Employee compensation (Cont'd)

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3.9 Interest income and interest expense

Interest income or expense is recognised using the effective interest method.

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

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

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

3.10 Tax

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

3.11 Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

3 Material accounting policy information (Cont'd)

3.12 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3.13 Functional currencies

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 entity operates ("functional currency"). The financial statements are presented in Singapore dollar, which is also the functional currency of the Company.

3.14 Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange 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 reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

3.15 Financial instruments

Financial instruments carried on the statement of financial position include cash at bank, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

Disclosures on financial risk management objectives and policies are provided in Note 14.

4 Property, plant and equipment

	Land and buildings $	Exhibits $	Furniture and fittings $	Office equipment $	Computer, software and IT related equipment $	Motor vehicles $	Renovation $	Facility and audio video equipment $	Work-in-progress $	Total $
Cost										
At 1 April 2022	5,988,699	7,581,089	225,264	200,804	1,458,233	106,715	6,397,820	7,361,353	629,395	29,949,372
Transfers	-	150,186	-	-	-	-	-	461,220	(611,406)	-
Additions	1,599,552	101,464	18,000	-	117,574	-	228,875	86,997	762,160	2,914,622
Write-off/Disposal	-	(189,676)	(23,564)	(38,900)	(93,326)	-	(50,700)	(198,662)	64,221	(530,607)
At 31 March 2023	**7,588,251**	**7,643,063**	**219,700**	**161,904**	**1,482,481**	**106,715**	**6,575,995**	**7,710,908**	**844,370**	**32,333,387**
Transfers/Reclass	**-**	**(24,419)**	**-**	**-**	**2,575**	**-**	**12,016**	**766,838**	**(844,370)**	**(87,360)**
Additions	**3,569,734**	**61,132**	**79,000**	**2,300**	**5,800**	**-**	**242,226**	**2,862,864**	**83,338**	**6,906,394**
Write-off/Disposal	**-**	**(32,584)**	**(7,500)**	**(5,287)**	**(43,820)**	**-**	**(734,888)**	**(863,602)**	**-**	**(1,687,681)**
At 31 March 2024	**11,157,985**	**7,647,192**	**291,200**	**158,917**	**1,447,036**	**106,715**	**6,095,349**	**10,477,008**	**83,338**	**37,464,740**
Accumulated depreciation										
At 1 April 2022	4,796,928	1,932,832	146,725	160,646	877,389	70,946	5,677,630	3,711,484	-	17,374,580
Depreciation for the year	1,592,289	1,434,490	16,829	17,647	294,548	8,254	260,805	659,552	-	4,284,414
Write-off/Disposal	-	(26,216)	(19,966)	(38,900)	(93,326)	-	(42,753)	(184,128)	-	(405,289)
At 31 March 2023	**6,389,217**	**3,341,106**	**143,588**	**139,393**	**1,078,611**	**79,200**	**5,895,682**	**4,186,908**	**-**	**21,253,705**
Depreciation for the year	**2,112,761**	**1,454,128**	**18,308**	**14,670**	**233,611**	**8,255**	**302,500**	**905,146**	**-**	**5,049,379**
Transfers/Reclass	**-**	**(14,244)**	**-**	**-**	**2,532**	**-**	**(15,000)**	**26,712**	**-**	**-**
Write-off/Disposal	**-**	**(16,464)**	**(7,501)**	**(4,656)**	**(43,488)**	**-**	**(716,063)**	**(849,227)**	**-**	**(1,637,399)**
At 31 March 2024	**8,501,978**	**4,764,526**	**154,395**	**149,407**	**1,271,266**	**87,455**	**5,467,119**	**4,269,539**	**-**	**24,665,685**
Carrying amounts										
At 31 March 2024	**2,656,007**	**2,882,666**	**136,805**	**9,510**	**175,770**	**19,260**	**628,230**	**6,207,469**	**83,338**	**12,799,055**
At 31 March 2023	**1,199,034**	**4,301,957**	**76,112**	**22,511**	**403,870**	**27,515**	**680,313**	**3,524,000**	**844,370**	**11,079,682**

Property, plant and equipment include right-of-use assets recognised under land and buildings and office equipment, as disclosed in Note 15.

5 Trade and other receivables

	2024	2023
	$	$
Trade receivables	**348,225**	121,690
Amount due from Ministry of Defence	**802,426**	728,706
Unbilled receivables	**-**	19,850
Interest receivable	**53,089**	33,713
Other receivables	**56**	32,168
Deposits	**3,750**	2,780
	1,207,546	938,907
Prepayments	**143,754**	153,862
	1,351,300	1,092,769

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

The unbilled receivables primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The unbilled receivables are transferred to trade receivables when the Company invoices the customer.

Credit and market risks, and impairment losses

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

6 Cash and fixed deposits

	2024	2023
	$	$
Cash at banks	**714,009**	1,346,162
Fixed deposits	**13,500,000**	9,500,000
	14,214,009	10,846,162

Fixed deposits have a maturity term of 1 week to 12 months (2023 - 1 to 12 months) and interest rates ranging from 2.28% to 3.27% (2023 - 2.28% to 3.66%) per annum.

For the purposes of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	2024	2023
	$	$
Cash at banks	**714,009**	1,346,162
Short-term deposits	**10,000,000**	5,000,000
	10,714,009	6,346,162

7 Lease liabilities

	2024	2023
	$	$
Undiscounted lease payments due:		
- Year 1	**341,810**	1,204,249
- Year 2	**780,000**	10,810
- Year 3	**585,000**	-
	1,706,810	1,215,059
Less: Unearned interest	**(45)**	(368)
Lease liabilities	**1,706,765**	1,214,691
Presented as:		
- Current liabilities	**341,765**	1,209,678
- Non-current liabilities	**1,365,000**	5,013
	1,706,765	1,214,691

7 Lease liabilities (Cont'd)

Market and liquidity risks

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

Terms and conditions of outstanding lease liabilities are as follows:

	Currency	Nominal interest rate	Year of maturity	2024 Face value $	2024 Carrying amount $	2023 Face value $	2023 Carrying amount $
Lease liabilities	SGD	3%	2024	**5,198**	**5,198**	15,365	15,365

8 Deferred capital grants

	Note	2024 $	2023 $
Balance at beginning of financial year		**9,864,991**	11,357,346
Transferred from grants received in advance (Note 9)	9		
- Rejuvenation grants		**-**	48,600
- ERP grants		**41,783**	-
- Sustainability grants		**815,820**	234,460
Rejuvenation grants utilised		**(57,609)**	-
Operating grants utilised		**2,449,305**	1,032,009
		13,114,290	12,672,415
Amortisation of deferred capital grants		**(2,926,599)**	(2,682,107)
Reclass to small value assets expensed off		**-**	(102,656)
Transfer to statement of comprehensive income for assets written off/disposed during the year		**(49,652)**	(22,661)
Balance at end of financial year		**10,138,039**	9,864,991
Deferred capital grants represented by:			
Non-current portion		**7,280,422**	7,247,266
Current portion		**2,857,617**	2,617,725
		10,138,039	9,864,991

9 Grants received in advance

	2024 $	2023 $
Balance at beginning of financial year	**916,622**	1,351,264
Grants received during the year	**19,083,453**	17,142,958
Amount transferred to statement of comprehensive income		
- Operating grants	**(14,603,775)**	(15,910,949)
- Rejuvenation grants	**(206,700)**	-
- ERP grants	**(115,598)**	(200,882)
- Sustainability grants	**(12,500)**	(150,700)
Amount transferred to deferred capital grants (Note 8)		
- Operating grants	**(2,449,305)**	(1,032,009)
- Rejuvenation grants	**57,609**	(48,600)
- ERP grants	**(41,783)**	-
- Sustainability grants	**(815,820)**	(234,460)
Balance at end of financial year	**1,812,203**	916,622

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

10 Trade and other payables

	2024 $	2023 $
Current		
Trade payables	**1,691,206**	1,050,243
Accrued operating expenses	**2,932,360**	2,717,030
Deposits payable	**316,171**	252,569
Deferred grants	**954,251**	-
Deferred income	**93,328**	94,987
Sundry creditors	**94,885**	90,339
	6,082,201	4,205,168

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

Accrued operating expenses include an amount of $1,637,184 (2023 - $1,700,000) relating to accrued payroll costs and $700,000 (2023 - $700,000) relating to provision for reinstatement cost of leasehold premises.

Included in deferred grants was an amount of $954,251 (2023 - $Nil) relating to rent grant received in advance from Ministry of Defence as of reporting date. During the year, $2,113,031 (2023 - $1,624,280) of grant on rental has been recognised as income in profit or loss.

11 Revenue

	2024 $	2023 $
Ticket sales	**507,961**	855,984
Membership fees	**171,599**	172,346
Retail sales	**44,225**	59,553
Education programmes and events income	**4,168,174**	2,939,459
	4,891,959	4,027,342

12 Other income

	2024 $	2023 $
Interest income	**317,051**	138,390
Other operating income	**182,570**	159,791
Other grants	**25,743**	156,128
	525,364	454,309

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

13 Employee compensation and other operating expenses

	2024 $	2023 $
Employee compensation		
Wages and salaries	**8,621,125**	8,295,321
Employer's contribution to Central Provident Fund	**1,057,819**	1,015,236
Other short-term benefits	**97,999**	89,023
	9,776,943	9,399,580
Other operating expenses		
Advertisement	**661,485**	275,228
Depreciation expense	**5,049,379**	4,284,414
Education programmes and events	**2,750,059**	1,943,911
Exhibitions	**814,757**	286,793
Film lease	**198,162**	210,241
GST	**600,312**	342,670
Information technology expenses	**465,860**	566,987
Loss on write-off/disposal of property, plant and equipment	**49,652**	26,079
Maintenance and landscaping	**1,695,282**	1,770,268
Professional fees	**137,523**	81,280
Security	**264,980**	243,600
Utilities	**413,767**	311,394
Others	**732,652**	505,541
	13,833,870	10,848,406

Remuneration of employees
In compliance with the Code of Corporate Governance for Charities and Institutions of a Public Character - Guideline 8.4, the annual remuneration of the Company's three highest paid staff who each received remuneration exceeding $100,000, in the following bands in the year are as follows:

Number of employees in bands	2024	2023
$100,000 to below $200,000	**1**	2
$200,000 to below $300,000	**1**	-
$300,000 to below $400,000	**1**	1

There is no paid staff who are close members of family of the Chief Executive or Board Member who receives more than $50,000 during the year (2023 - Nil).

14 Financial instruments

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

14 Financial instruments (Cont'd)

Risk management framework (Cont'd)

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

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

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

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

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

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

<u>Expected credit loss ("ECL") assessment for corporate and individual customers as at 31 March 2023 and 31 March 2024</u>
The Company uses an allowance matrix to measure the ECLs of trade receivables from individual and corporate customers, which comprise a very large number of balances.

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

14 Financial instruments (Cont'd)

Credit risk (Cont'd)

<u>**Expected credit loss ("ECL") assessment for corporate and individual customers as at 31 March 2023 and 31 March 2024 (Cont'd)**</u>

The age analysis of trade receivables that were not impaired at the reporting date was:

	Trade receivables					
		Days past due				
31 March 2024	**Current**	**1-30 days**	**31-60 days**	**61-90 days**	**>90 days**	**Total**
Estimated total gross carrying amount at default	**189,075**	**153,136**	**175**	**5,839**	**-**	**348,225**
31 March 2023						
Estimated total gross carrying amount at default	916,237	16,884	106	5,680	-	938,907

There is no allowance for impairment in respect of trade receivables recognised on 31 March 2023 and 31 March 2024.

<u>Cash and cash equivalents</u>
The Company held cash and cash equivalents and fixed deposits of $10,714,009 and $3,500,000 at 31 March 2024 (2023 - $6,346,162 and $4,500,000). The cash and cash equivalents and fixed deposits are held with bank and financial institution counterparties which are rated AA-, based on Standard & Poor's ratings.

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

The amount of ECL allowance on cash and cash equivalents and fixed deposits is negligible.

Liquidity risk

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

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

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

14 Financial instruments (Cont'd)

Liquidity risk (Cont'd)

	Carrying amount $	Contractual cash flows $	Within 1 year $	1-5 years $
31 March 2024				
Non-derivative financial liabilities				
Lease liabilities	**1,706,765**	**(1,706,810)**	**(341,810)**	**(1,365,000)**
Trade and other payables*	**5,034,622**	**(5,034,622)**	**(5,034,622)**	**-**
	6,741,387	**(6,741,432)**	**(5,376,432)**	**(1,365,000)**
31 March 2023				
Non-derivative financial liabilities				
Lease liabilities	1,214,691	(1,215,059)	(1,210,046)	(5,013)
Trade and other payables*	4,020,212	(4,020,212)	(4,020,212)	-
	5,234,903	(5,235,271)	(5,230,258)	(5,013)

* *Excludes deferred grant, deferred income and GST*

Market risk

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

Interest rate risk

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

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

	2024 $	2023 $
Fixed rate instrument		
Fixed deposits	**13,500,000**	9,500,000

Fair value sensitivity analysis for fixed rate instruments

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

Determination of fair values

Other financial assets and liabilities

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

14 Financial instruments (Cont'd)

Accounting classifications and fair values

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

	Financial assets (at amortised cost) $	Financial liabilities (at amortised cost) $	Total carrying amount $	Fair value $
31 March 2024				
Financial assets not measured at fair value				
Trade and other receivables^	**1,207,546**	**-**	**1,207,546**	**1,207,546**
Cash and cash equivalents	**10,714,009**	**-**	**10,714,009**	**10,714,009**
Fixed deposits	**3,500,000**	**-**	**3,500,000**	**3,500,000**
	15,421,555	**-**	**15,421,555**	**15,421,555**
Financial liabilities not measured at fair value				
Trade and other payables*	**-**	**(5,034,622)**	**(5,034,622)**	**(5,034,622)**
Lease liabilities	**-**	**(1,706,765)**	**(1,706,765)**	**(1,706,765)**
	-	**(6,741,387)**	**(6,741,387)**	**(6,741,387)**
31 March 2023				
Financial assets not measured at fair value				
Trade and other receivables^	938,907	-	938,907	938,907
Cash and cash equivalents	6,346,162	-	6,346,162	6,346,162
Fixed deposits	4,500,000	-	4,500,000	4,500,000
	11,785,069	-	11,785,069	11,785,069
Financial liabilities not measured at fair value				
Trade and other payables*	-	(4,020,212)	(4,020,212)	(4,020,212)
Lease liabilities	-	(1,214,691)	(1,214,691)	(1,214,691)
	-	(5,234,903)	(5,234,903)	(5,234,903)

^ *Excludes prepayments and GST*
* *Excludes deferred grant, deferred income and GST*

Capital management

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

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

15 Leases

Leases as lessee

The Company leases premises and office equipment. The leases typically run for a period of 3 years.

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

15 Leases (Cont'd)

Leases as lessee (Cont'd)

Right-of-use assets

	Land and buildings $	Equipment $	Total $
Balance at 1 April 2022	1,191,771	25,045	1,216,816
Addition during the year	1,599,552	-	1,599,552
Depreciation charge for the year	(1,592,289)	(10,018)	(1,602,307)
Balance at 31 March 2023	**1,199,034**	**15,027**	**1,214,061**
Addition during the year	**3,569,734**	**-**	**3,569,734**
Depreciation charge for the year	**(2,112,761)**	**(10,018)**	**(2,122,779)**
Balance at 31 March 2024	**2,656,007**	**5,009**	**2,661,016**

Amounts recognised in profit or loss

	2024 $	2023 $
Leases under FRS 116		
Interest on lease liabilities	**470**	470

Amounts recognised in statement of cash flows

	2024 $	2023 $
Total cash outflow for leases	**3,078,130**	410,376

16 Related parties

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

Key management personnel compensation

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

Key management personnel compensation are as follows:

	2024 $	2023 $
Wages and salaries and other short-term benefits	**587,431**	537,492
Employer's contribution to Central Provident Fund	**31,862**	35,006
	619,293	572,498

16 Related parties (Cont'd)

Other related party transactions

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

	2024	2023
	$	$
Sales and purchase of goods and services		
Ticket, event income and rental received/receivable from Ministry of Defence	**(2,301,210)**	(2,000,254)
Utilities received/receivable from Ministry of Defence	**(51,228)**	(27,539)
Rental of premises paid/payable to Ministry of Defence	**3,074,919**	399,888
Secondment fees paid/payable to Ministry of Defence	**80,769**	266,416
Utilities paid/payable to Ministry of Defence	**378,823**	284,253