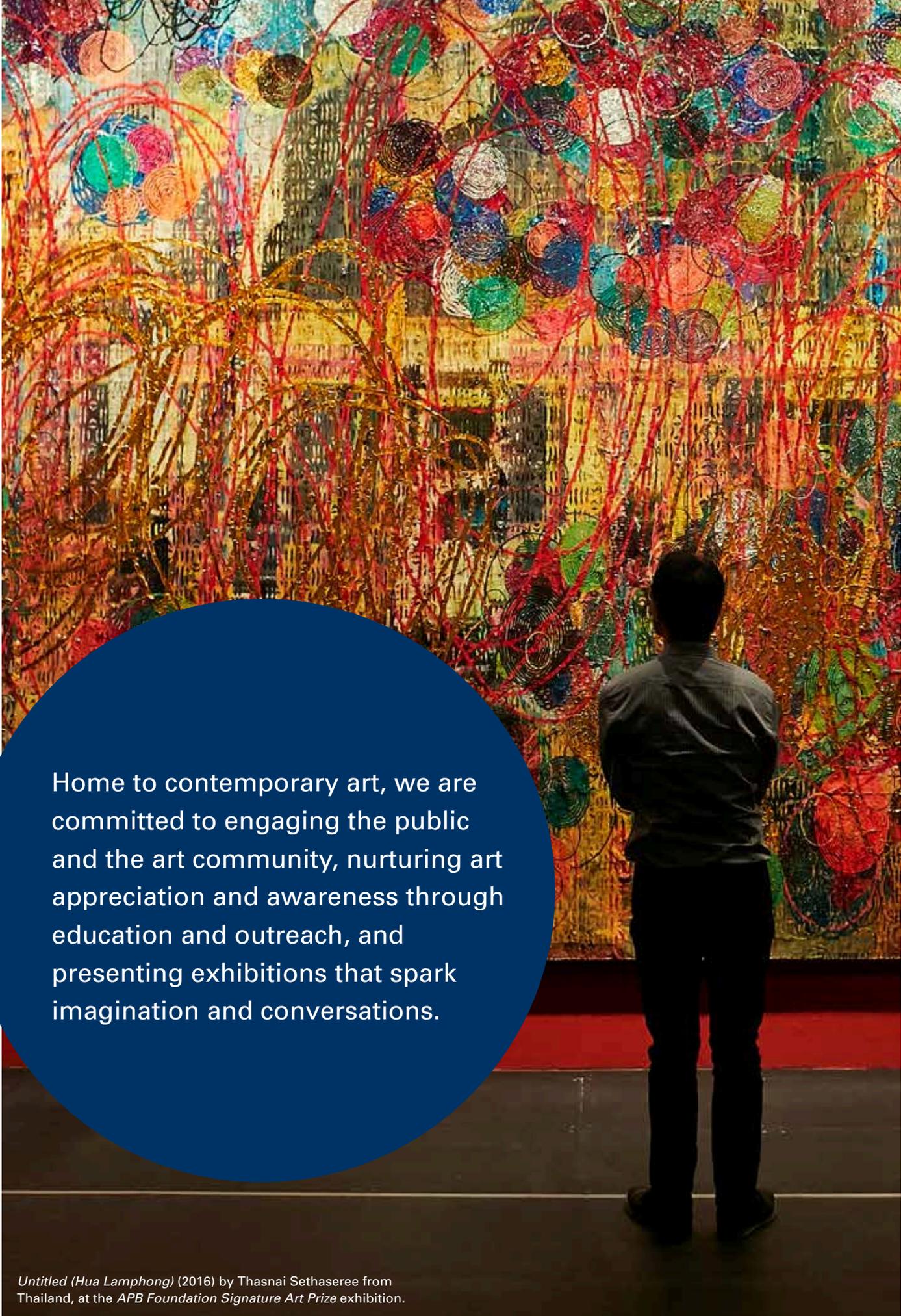




SINGAPORE ART MUSEUM

YEAR IN REVIEW

18/19



Home to contemporary art, we are committed to engaging the public and the art community, nurturing art appreciation and awareness through education and outreach, and presenting exhibitions that spark imagination and conversations.

Untitled (Hua Lamphong) (2016) by Thasnai Sethaseree from Thailand, at the APB Foundation Signature Art Prize exhibition.

ABOUT SAM

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

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

VISION

The Singapore Art Museum will be pivotal among contemporary art museums in the region and on the region, inspiring humane and better futures.

MISSION

The Singapore Art Museum breathes Art into Life. Through contemporary art, we make infinite room for everyone to think, feel, experience and imagine.

sft crsh ctrl (2018) by Weixin Quek Chong,
winner of the *President's Young Talents* exhibition.



MESSAGE FROM OUR CHAIR

Edmund Cheng

Since Singapore Art Museum (SAM) opened in 1996 as the first public art museum in Singapore, it has established its presence on the Southeast Asian and global contemporary art scene. After welcoming millions of visitors through its doors for more than two decades, SAM will be undergoing a much-needed transformation of its spaces, and importantly, the preservation of the National Monument within which the museum is housed. We could not have achieved this exciting milestone without you, and I am happy to share the highlights of the year leading up to SAM's building redevelopment project.

We started the year reflecting on SAM's past exhibitions with *Installation in Progress*, followed by the ever-popular *Imaginarium*, a family-friendly exhibition that explored the concept of time, family and inter-generational bonding. The *Asia Pacific Breweries Foundation Signature Art Prize 2018* exhibition at the National Museum

of Singapore, meanwhile, presented the best of contemporary art from across the region. This was followed closely by the finalist exhibition of the *President's Young Talents* award, a mentoring and commissioning prize that supports and nurtures young Singaporean contemporary artists. Both exhibitions saw a surge in votes for the People's Choice Award, with visitors taking the time to contemplate the artworks and share meaningful feedback.

Through these exhibitions and complementary programmes, we have continued to deepen our engagement with the public and worked to make the visual arts inclusive and accessible for diverse audiences with different needs. The SAM Touch Collection, a collection of portable and interactive artwork adaptations, is developed with artists based on ongoing research and feedback from the visually impaired community. An evolving and growing collection, the SAM Touch Collection is accompanied by supplementary resources and materials, which will be extended to other groups after further impact studies.

Finally, we closed our buildings with a bang at the *Mad for SAM Party*. Our buildings may be closed to the public for a while, but our museum programming and outreach initiatives continue at schools through assembly talks, at the SAM Learning Gallery that is temporarily housed at the National Gallery Singapore, and through collaborations with partners and venues. Do keep a lookout for SAM as we begin moving art into neighbourhoods through the SAM Mini Mobile Museum, as well as internationally through our collaborations with museums and art spaces in the region.

We look forward to your support as we continue to present contemporary art that seeks to inspire humane and better futures.

All my best,
Edmund Cheng

AT A GLANCE

SAM Figures



603,600

VISITORS TO SAM

389,600

VISITORS TO OUR EXHIBITIONS OUTSIDE OF SAM

338

VOLUNTEERS

SAM WEBSITE REVAMP

On 25 July 2018, SAM launched its new website



WEBSITE PAGEVIEWS

705,304



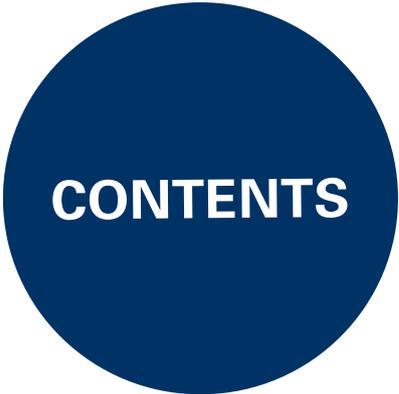
FACEBOOK FOLLOWERS

57,200



INSTAGRAM FOLLOWERS

38,900



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COMMUNITY

Committed to increasing art access to communities around us, SAM brings contemporary art experiences to everyone.

Special needs visitors to *Imaginarium* enjoying a tour of *Utsuroi Iroha* (2014) by Mayuko Kanazawa, an hour before the museum opens.



Miniature replicas adapted by Justin Lee from his artwork *East & West* (2009), for the SAM Touch Collection.

“Art has evolved to such great possibilities instead of the traditional works like paintings and sculptures. It is very meaningful to start the SAM Touch Collection as it will certainly bring visually impaired people closer to art. The tour was so well planned and all of us had a fun time interacting with adaptations of the original artworks.”

– **PENNY CHONG**, Resource Teacher of visually impaired students at Ahmad Ibrahim Secondary School

SAM TOUCH COLLECTION

With the launch of the SAM Touch Collection, SAM embarked on a mission to increase access to art and engage with audiences of all abilities and backgrounds. The growing collection is the fruit of ongoing research and consultations with the visually impaired community, the first community that the SAM Touch Collection will benefit.



QUIET HOUR AT SAM

Special needs visitors were invited to SAM one hour before museum opening hours, so that the artworks could be experienced in a quiet and conducive environment.

Special needs visitors to *Imaginarium* exploring space and memories through an immersive installation, titled *Passage* (2018) by The Gedaze Project.



Artworks by inmate-artists, on display at the Yellow Ribbon Community Art Exhibition.

"SAM's continued involvement in the Yellow Ribbon Community Art Exhibition reaffirms SAM's vision of "inspiring humane and better futures". Through it, we play an invaluable role in creating new spaces for people to understand, empathise, and support in their own ways, the exhibition's key stakeholders – the inmate-artists themselves."

– JOHN TUNG, Assistant Curator, Singapore Art Museum

YELLOW RIBBON COMMUNITY ART EXHIBITION

In its 11th year of partnership, SAM partnered with the Singapore Prison Service in an art rehabilitation project, to encourage inmates to express their emotions and hope for re-acceptance through their artworks.

The inmates worked together with artist-mentors and inmate-artists to put together 78 artworks for the week-long exhibition *Crossroads & Choices*, welcoming 6,000 visitors to the exhibition.

EDUCATION & OUTREACH

SAM facilitates learning through contemporary art, and continues our efforts in engaging with schools and educational institutions.



Pre-schoolers interacting with the *megaphone project* (2007 – 2018) by Madeleine Flynn and Tim Humphrey, featured in *Imaginarium*.



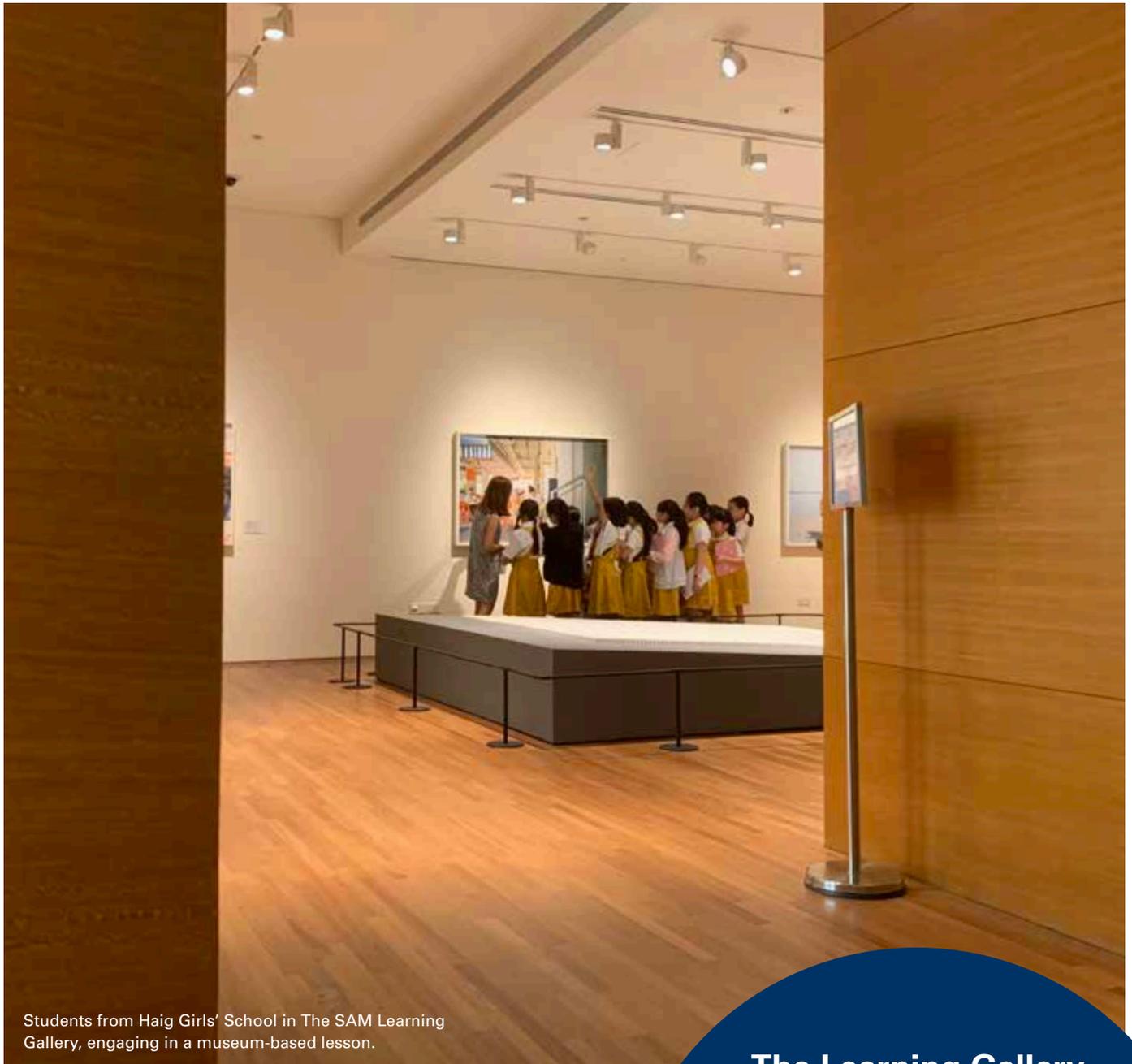
Primary 4 student from Mayflower Primary School explaining a *Think! Contemporary* artwork to a visitor.

"The *Think! Contemporary Programme* is an engaging platform for students to not only learn how to appreciate art pieces, but also connect the knowledge learned to various subjects, to their lives and to events happening in the real world. Through the learning experiences, students were also given opportunities to hone their communication and collaboration skills."

– **MADAM PEH KAI LE**, Teacher,
Mayflower Primary School
(Lead School for 2018)

THINK! CONTEMPORARY

1,113 students from five schools participated in this multi-visit, museum-based learning programme for Primary 4 students. The year-long programme culminated in a successful exhibition, featuring artworks by students touching on themes such as family, community, identity and the environment reflected in the exhibition showing at The SAM Learning Gallery.



Students from Haig Girls' School in The SAM Learning Gallery, engaging in a museum-based lesson.

THE LEARNING GALLERY

SAM extended its museum-based learning programme through the exhibition *Once Upon This Island* at The Learning Gallery, which is temporarily located at National Gallery Singapore while SAM's buildings undergo redevelopment.

The Learning Gallery features artworks from the SAM Collection, including new commissions, and hosted more than 3,000 students within its temporary space.



Singapore Chinese Girls' School students attending a school assembly talk about contemporary art.

SCHOOL ASSEMBLY TALKS

The SAM Education team introduced contemporary art and art appreciation to students of different age groups through fun and engaging school assembly talks, using references from the artworks in the SAM Collection.

"I learned practical strategies on getting students on short video projects such as setting parameters and varying them one at a time. The artist has made video-making less intimidating for beginners."

– Comment from an art teacher who attended artist Sarah Choo Jing's workshop

MUSEUM EDUCATION SYMPOSIUM (MUS.E.S)

Over 40 Ministry of Education art teachers had an enriching workshop with artist Sarah Choo Jing, as part of the annual Museum Education Symposium, which is organised by the Singapore Teachers' Academy for the aRts (STAR).



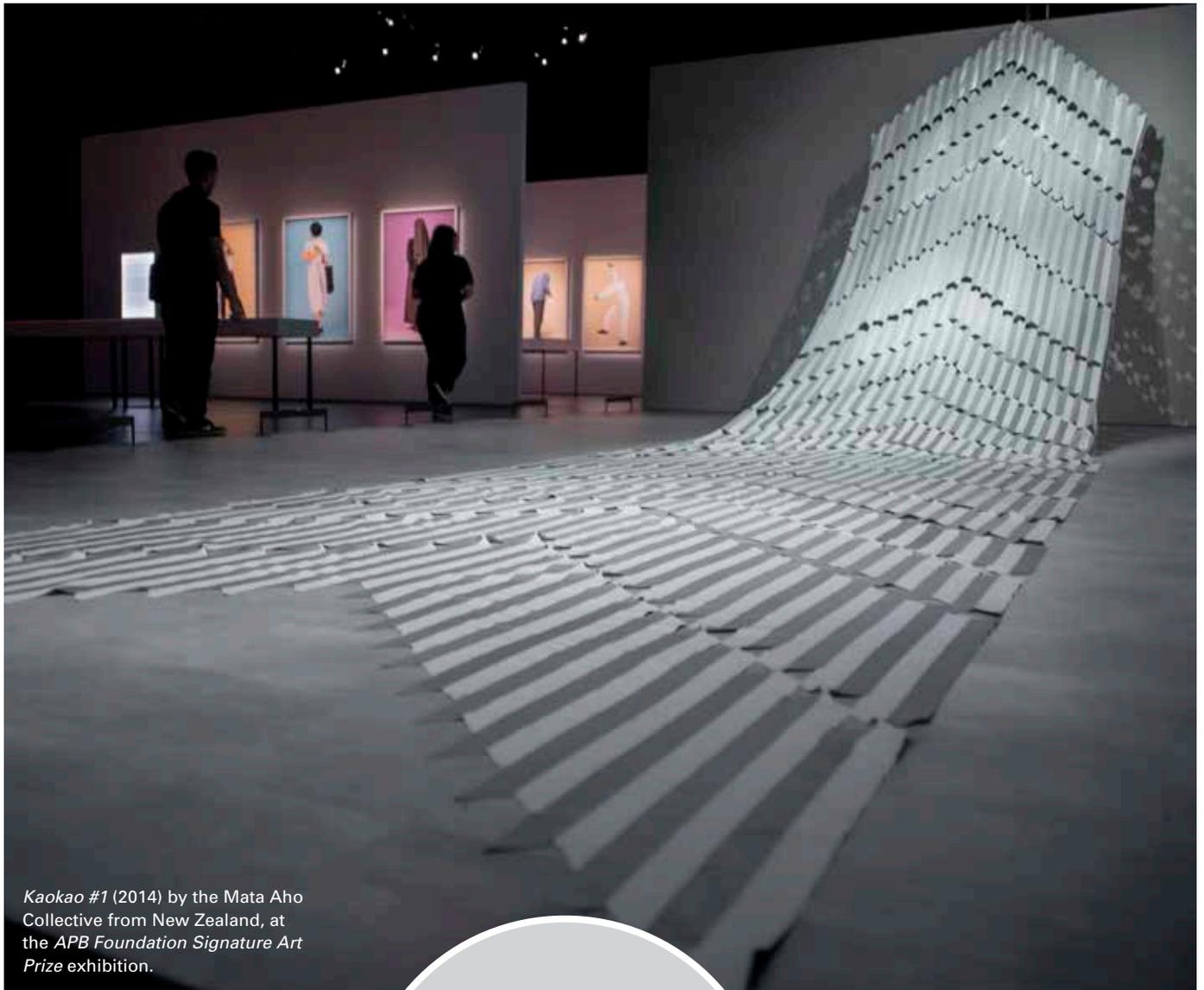
Art educators attending a workshop led by artist Sarah Choo Jing.

NURTURE

SAM deepens engagement with the art community and nurtures artists to elevate the contemporary art scene in the region.



Zarina Muhammad's *Pragmatic Prayers for the Kala at the Threshold* (2018), at the *President's Young Talents* exhibition.



Kaokao #1 (2014) by the Mata Aho Collective from New Zealand, at the *APB Foundation Signature Art Prize* exhibition.

ASIA PACIFIC BREWERIES FOUNDATION SIGNATURE ART PRIZE

SAM partnered with Asia Pacific Breweries (APB) Foundation to recognise and celebrate the most outstanding examples of contemporary art from across the Asia Pacific and Central Asia.

The prestigious award shone a spotlight on 15 finalists, with a successful exhibition visited by more than

40,000
people.

“For the first time in 2018, the *APB Foundation Signature Art Prize* included the countries of Central Asia, and last year’s finalists hailed from countries as diverse as Kazakhstan, Vietnam, India, Japan and New Zealand. The Signature Art Prize remains instrumental in extending SAM’s reach beyond Southeast Asia.”

– **LOUIS HO**, Curator,
Singapore Art Museum

The five finalists of *President's Young Talents*, from left to right: Debbie Ding, Yanyun Chen, Hilmi Johandi, Zarina Muhammad, and Weixin Quek Chong.



"I enjoyed this mix of visual beauty and metaphor. It is playful and sinister, creative yet destructive."

– A voter's comment on the work *sft crsh ctrl* by artist Weixin Quek Chong, Grand Prize Winner of President's Young Talents 2018.



PRESIDENT'S YOUNG TALENTS

SAM organised the seventh edition of the *President's Young Talents* exhibition, a mentoring and commissioning platform for emerging Singaporean contemporary artists aged 35 and below. The six-month-long programme culminated in an exhibition in SAM at 8Q, where the winning artist's work was selected by an independent jury and awarded by the President of Singapore.



EXHIBITIONS & EVENTS

In FY2018/19, SAM engaged **646,700 visitors** through exhibitions, artwork commissions, and public events – focusing on contemporary art from Singapore, Southeast Asia and beyond.

Visitors enjoying performances at the Singapore Night Festival.



Families interacting with yarn-fabricated objects in *Passage* (2018) created by The GedAze Project for *Imaginarium*.

IMAGINARIUM

SAM encouraged inter-generational sharing and bonding through immersive and interactive artworks at the annual family-friendly exhibition, *Imaginarium: Into the Space of Time*.

The hugely popular exhibition, visited by more than

40,000

museum-goers, sparked many interesting conversations about the concept of time.

“Over the past 23 years, many of us have grown up with SAM’s exhibitions and programmes. It is heartening to still see robust discussion and inter-generational bonding taking place as visitors engage with art. This is what makes our work meaningful and relevant.”

– **TAN SHIR EE**, Head (Partnerships and Patronage), Singapore Art Museum

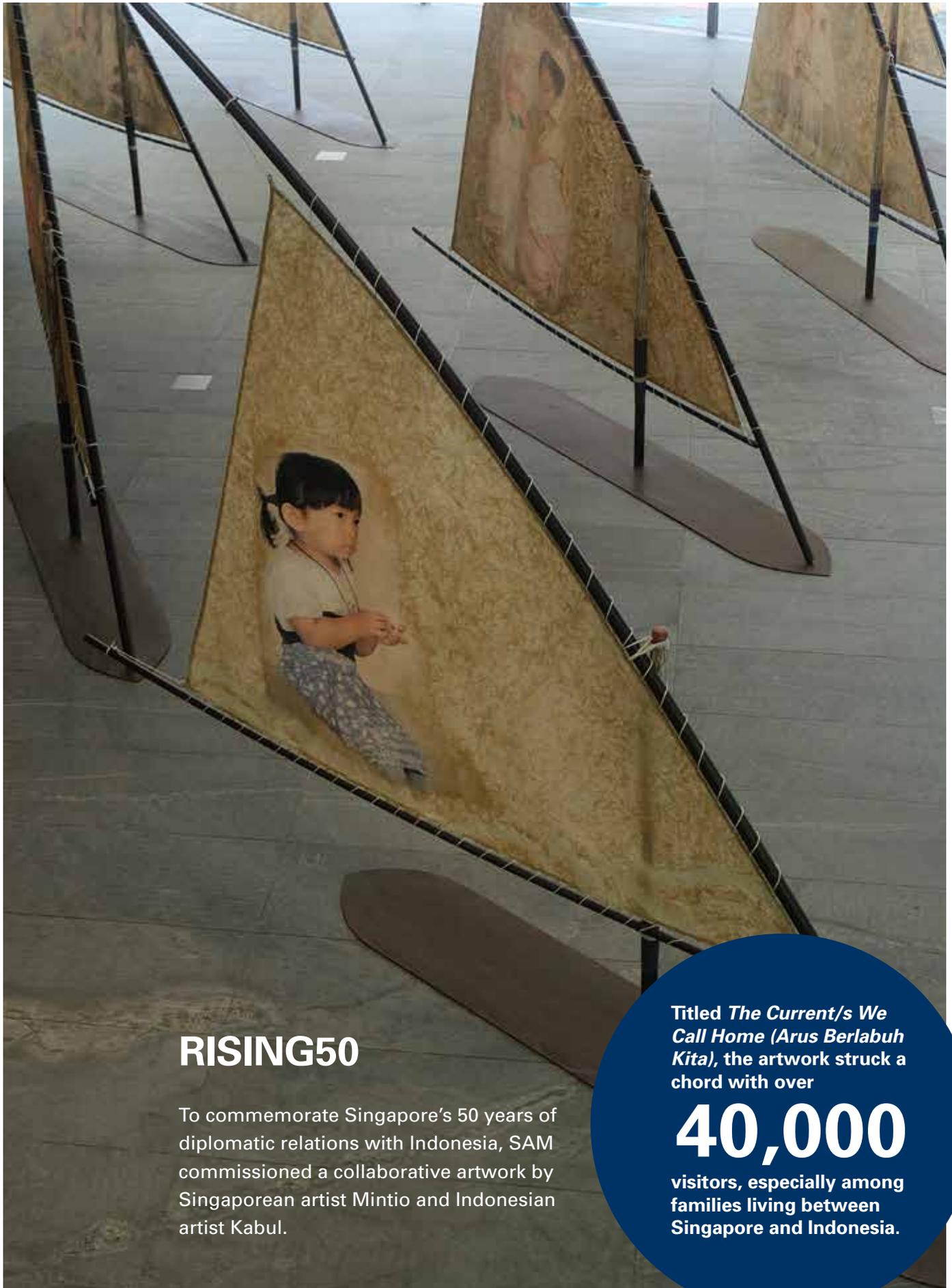


A commissioned artwork by Singaporean artist Michael Lee, titled *Museum of Air* (2018).

INSTALLATION IN PROGRESS

SAM commemorated past exhibitions at the museum with *Installation in Progress*, a presentation which explored ideas of exhibitions and exhibition-making through the lens of SAM's own history. The exhibition also featured a new artwork by Singaporean artist Michael Lee.





RISING50

To commemorate Singapore's 50 years of diplomatic relations with Indonesia, SAM commissioned a collaborative artwork by Singaporean artist Mintio and Indonesian artist Kabul.

Titled *The Current/s We Call Home (Arus Berlabuh Kita)*, the artwork struck a chord with over

40,000

visitors, especially among families living between Singapore and Indonesia.

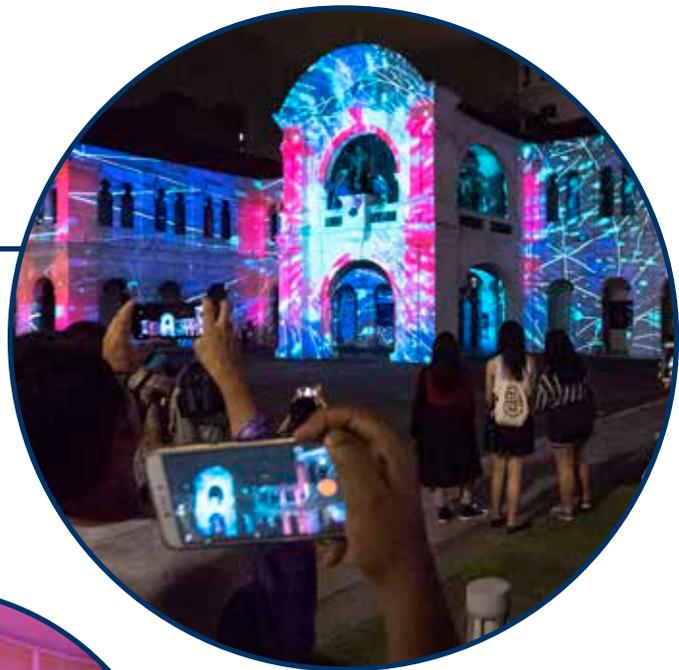


SINGAPORE ART WEEK

Over **12,000 visitors** were spoiled for choices by the activities held during Singapore Art Week, including art exhibitions and workshops, outdoor movie screenings, community carnival, an art market, and a commissioned artwork by Gerald Leow on view.

SINGAPORE NIGHT FESTIVAL

From free late-night entry into the museum and art workshops, to music and dance performances and the ever-popular façade light-up, Night Festival at SAM was attended by close to **40,000 revellers**.



SAM LATE NIGHTS

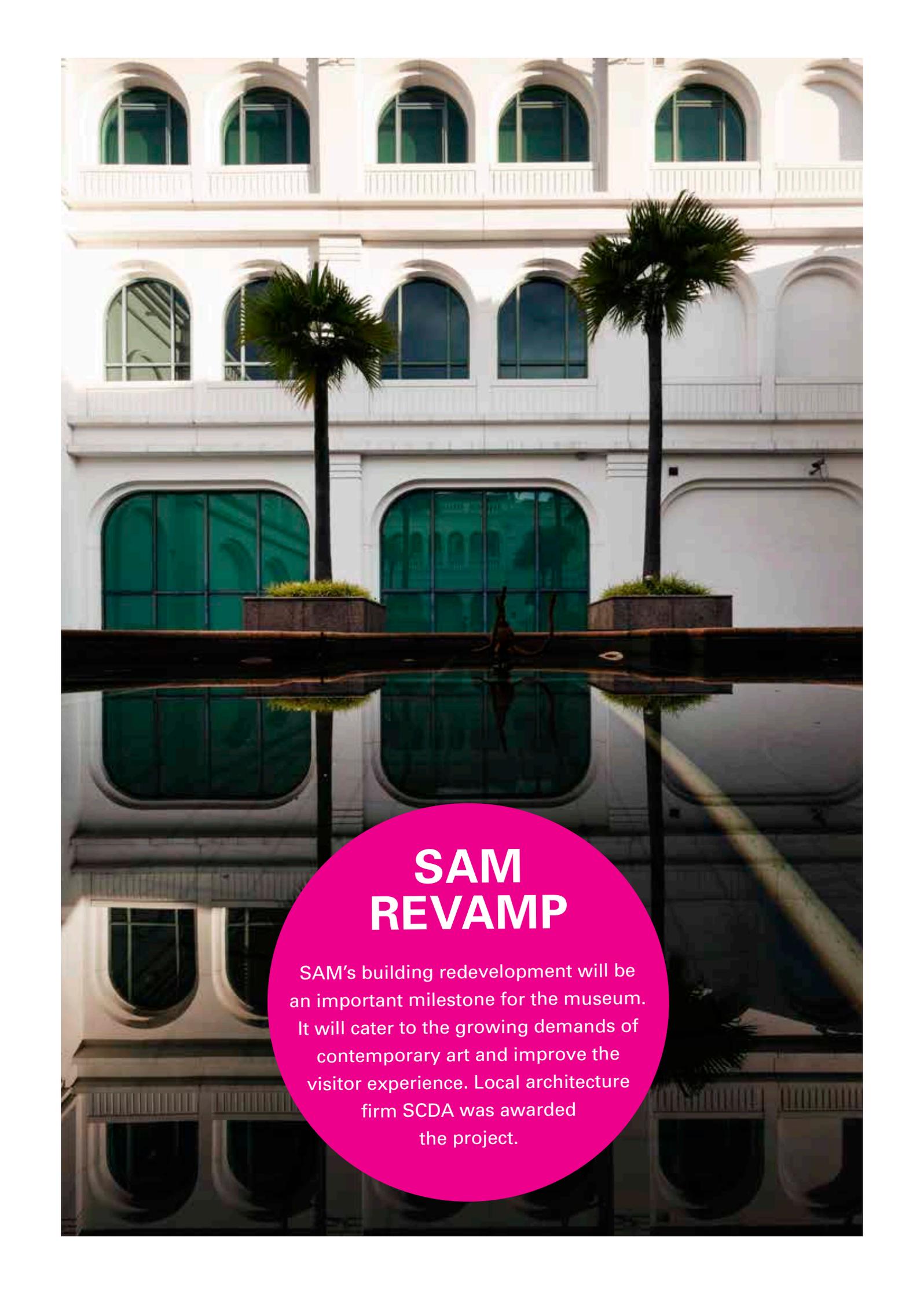
SAM Late Nights, a monthly Friday night event, brought the crowds to SAM for after-hours curator talks, artwork discussions, original music performances by Singaporean bands, and live poetry readings.



ISTANA ART EVENT

SAM held its well-loved art competition at the Istana Art Event during the Istana's National Day Open House.





SAM REVAMP

SAM's building redevelopment will be an important milestone for the museum. It will cater to the growing demands of contemporary art and improve the visitor experience. Local architecture firm SCDA was awarded the project.



"Walter" – inspired by Dawn Ng's artwork of the same name, as part of a performance during the Excavations Theatrical Tour.

ARCHAEOLOGICAL DIG @ SAM

SAM organised a series of archaeological excavations on its museum grounds as part of an investigative study prior to actual redevelopment works. The excavations, the first of its kind to be open for public observation, were accompanied by talks and tours, a specially commissioned theatrical performance, and an archaeology-focused exhibition.

These programmes were attended by 2,500 visitors and participants.





MAD FOR SAM PARTY

SAM marked the closure of its museum buildings for redevelopment with the *Mad for SAM Party*, which saw a weekend of art activities and live music performances by DJs and homegrown bands.





SAM ACQUISITIONS

Audience watching a two-channel video work, titled *Tropical Siesta* (2015 – 2017) by Phan Thao Nguyen, at the *APB Foundation Signature Art Prize* exhibition.

SAM ACQUISITIONS

The Singapore Art Museum Collection comprises a wide spectrum of works on contemporary Southeast Asian art, while also encompassing the wider Asian region to instil a broader cultural context for the core collection.

In FY2018/19, SAM expanded its collection with over 50 donated and acquired artworks.

HIGHLIGHTS FROM OUR NEW ACQUISITIONS:



Charles Lim, *SEA STATE 9: Proclamation (drop), (drag), and (pour)* 2018, Single-channel 4K digital video, looped, output to high-luminosity seamless monitor. Duration: 6:34 min, 27:09 min, 22:04 min. Edition 3 of 3 + 1AP



Hayati Mokhtar, *Falim House: Observations*, 2013–2017, 10-channel video projection with sound. Duration: 16:04 min. Singapore Art Museum collection

Comprising ten video channels, Malaysian artist Hayati Mokhtar's *Falim House: Observations* (2013–2017) documents the interiors and surroundings of the titular mansion that was originally built by Foo Nyit Tse, one of the wealthiest tin tycoons in Malaya in the early 20th century.

Singaporean artist Charles Lim's *SEA STATE 9: Proclamation (drop), (drag), and (pour)* (2018) explores the complex understandings of sea and land in the fast-growing city-state of Singapore.



Phan Thao Nguyen, *Tropical Siesta*, 2017, Two-channel HD video with sound and colour. Duration: 13:45 min. Edition 2 of 5 + 2AP

Winner of the *APB Foundation Signature Art Prize* in 2018, Vietnamese artist Phan Thao Nguyen's *Tropical Siesta* (2017) is a two-channel video installation that tells an imaginary tale of rural Vietnam populated by only children, informed by French Jesuit missionary Alexandre de Rhodes' colourful observations when he travelled through the country in the 17th century.

The background image shows an art installation. On the left, a woman in a light-colored dress is seen from behind, standing in a blue-lit frame. On the right, a figure in a dark, hooded garment stands in a purple-lit frame. In the center foreground, a person is blurred, moving from left to right. A large, bright pink circle is overlaid in the center, containing the text.

FINANCIALS FY2018/2019

*He was lost yesterday and we found him today and Museum of the Lost (2014) by
Leung Chi Wo + Sara Wong, featured in the APB Foundation Signature Art Prize exhibition.*

SINGAPORE ART MUSEUM

(Incorporated in Singapore Registration Number: 201330746G)

ANNUAL REPORT

For the financial year ended 31 March 2019

SINGAPORE ART MUSUEM
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2019

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SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

1. Corporate Information

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

Members of SAM

Tan Gee Keow
Jane Ittogi
Koh Seow Chuan

External auditor

PricewaterhouseCoopers LLP

Internal auditor

Ernst & Young Advisory Pte Ltd

Principal banker

UOB Bank Limited

Company secretary

Ms Catherine Lim Siok Ching, Stone Forest CorpServe Pte Ltd

Charity status

Charity Registration No. 201330746G

Charity Registration Date: 9 December 2013

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

1. Corporate information (continued)

Company Status

Company limited by guarantee

Incorporation Date:

13 November 2013

Unique Entity Number (UEN):

201330746G

IPC Status

IPC status effective period: 12 December 2018 to 11 December 2021

Registered address

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

Tel: (65) 6697 9730 Fax: (65) 6334 7919

Email: enquiries@singaporeartmuseum.sg

Website: www.singaporeartmuseum.sg

2. Board matters

2.1 Board Composition and Roles

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

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

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

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.2 Board of Directors

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Cheng Wai Wing Edmund Deputy Chairman Wing Tai Holdings Limited	Chairman	1 April 2018
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	13 November 2013
Brian McAdoo Professor of Science Yale-NUS College	Member	1 April 2014
Zulkifli Bin Baharudin Executive Chairman Indo Trans Logistics Corporation	Member	1 April 2014
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer Rajah & Tann Singapore LLP	Member	1 April 2015
Imran Bin Tajudeen Assistant Professor Department of Architecture School of Design and Environment National University of Singapore	Member	1 October 2016
Kong Lee Lee Lily President Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 October 2016

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.2 Board of Directors (continued)

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	1 May 2017
Timothy Chin Jun Wun Director, Arts & Heritage Division Ministry of Culture, Community & Youth	Member	17 November 2017
Heng Chen Seng Chief Executive Officer ABC World Asia	Member	1 April 2018
Junie Foo Kwee Joen Group Executive Director Methodist Welfare Services	Member	1 August 2018
Michelangelo Samson Managing Director/Regional Head SEA Asia Leveraged Finance Standard Chartered Bank	Member	1 August 2018
<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Chiang See Ngoh Senior Vice President Banyan Tree Holdings Limited	Member	31 March 2019

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.3 Executive Committee (EXCO)

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

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Cheng Wai Wing Edmund Deputy Chairman Wing Tai Holdings Limited	Chairman	1 April 2018
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Deputy Chair	13 November 2013
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer Rajah & Tann Singapore LLP	Member	8 June 2016
Kong Lee Lee Lily President Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 June 2017
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	1 June 2017

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.4 Audit Committee (AC)

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

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer Rajah & Tann Singapore LLP	Chairman	1 April 2015
Timothy Chin Jun Wun Director, Arts & Heritage Division Ministry of Culture, Community & Youth	Member	17 November 2017
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	5 April 2018
Brian McAdoo Professor of Science Yale-NUS College	Member	17 July 2018
Heng Chen Seng Chief Executive Officer ABC World Asia	Member	17 July 2018

<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Kong Lee Lee Lily President Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	17 July 2018
Catherine Loh Chief Executive Officer Community Foundation of Singapore	Member	6 April 2018

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.5 Acquisition Committee

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

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Michelangelo Samson Managing Director/Regional Head SEA Asia Leveraged Finance Standard Chartered Bank	Chairman	1 August 2018
Kenneth Whye Choe Executive Director Goldman Sachs (Singapore)	Member	1 July 2014
Peter Schoppert Managing Director NUS Press Pte Ltd	Member	1 July 2014
Tay Swee Lin Director F.B. Consultants LLP	Member	1 July 2014
Brian McAdoo Professor of Science Yale – NUS college	Member	2 February 2016
Michelle Lim Assistant Professor School of Art, Design and Media Nanyang Technological University	Member	1 July 2016
Woo Yew Kong, Ian Artist	Member	1 July 2016
Imran Bin Tajudeen Assistant Professor Department of Architecture School of Design and Environment National University of Singapore	Member	30 March 2017

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.5 Acquisition Committee

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	30 May 2018
John Chia Oncologist Oncocare Cancer Centre	Member	1 July 2018

<u>Name</u>	<u>Designation</u>	<u>Date of retirement</u>
Melani Setiawan Sonologist and Art Writer	Member	30 June 2018

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.6 Nomination and Remuneration Committee (NRC)

The NRC makes recommendations to the Board and management on all appointments and re-appointments of the Board, as well as review and endorse the remuneration policy of SAM and the appointment and remuneration of key positions.

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Cheng Wai Wing Edmund Deputy Chairman Wing Tai Holdings Limited	Chairman	1 April 2018
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	13 November 2013
Collin Tseng Chern Yang @ Collin Liu Chern Yang Chief Operating Officer Rajah & Tann Singapore LLP	Member	8 June 2016
Kong Lee Lee Lily President Lee Kong Chian Chair Professor of Social Sciences Singapore Management University	Member	1 June 2017
Low Eng Teong Assistant Chief Executive (Sector Development) National Arts Council	Member	1 June 2017

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.7 Building Project Committee (BPC)

The BPC assists the Board in reviewing and providing guidance on all matters relating to the project development, such as its construction progress, contract administration, project and exhibition planning and design, project-financial matters, and the system of audits and risk management.

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

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Cheng Wai Wing Edmund Deputy Chairman Wing Tai Holdings Limited	Chairman	1 April 2018
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	18 October 2016
Zulkifli Bin Baharudin Executive Chairman Indo Trans Logistics Corporation	Member	18 October 2016
Ronny Tan Board Member Sentosa Development Corporation & President, Sentosa Golf Club	Member	18 October 2016
Teh Joo Heng Principal Teh Joo Heng Architects	Member	25 September 2017
Yeo Kang Shua Assistant Professor Singapore University of Technology & Design	Member	25 September 2017
Imran Bin Tajudeen Assistant Professor Department of Architecture School of Design and Environment National University of Singapore	Member	23 March 2018

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.7 Building Project Committee (BPC) (continued)

<u>Name</u>	<u>Designation</u>	<u>Date of appointment</u>
Sushma Goh Director Architecture, Infrastructure Design & Engineering Group Land Transport Authority	Member	16 April 2018
Timothy Chin Jun Wun Director, Arts & Heritage Division Ministry of Culture, Community & Youth	Member	23 July 2018
Tan Kian Huay Director Mercatus Co-operative Limited	Member	24 September 2018
Seah Choo Meng Senior Advisor, GCEO's Office Group Chief Compliance Officer Chairman of ThreeSixty Cost Management and ThreeSixty Contract Advisory	Member	24 September 2018
Eugene Tan Jui-Te Museum Director National Gallery Singapore	Member	25 February 2019
Lai Huen Poh Senior Managing Director RSP Architects Planners & Engineers (Pte) Ltd	Member	25 February 2019
Ng Eng Kiong Senior Director Squire Mech Pte Ltd	Member	25 February 2019

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT For the financial year ended 31 March 2019

2. Board matters (continued) 2.8 Board and Board Committees Meetings

The matrix on the number of Board and Board Committees Meetings held in the financial year and the attendance of the directors and co-opted members during these meetings is as follows:

Board of Directors	Date of First Appointment to Board	Date of Last Re-Appointment	Date of Retirement	Board		Executive Committee		Nomination and Remuneration Committee		Audit Committee		Acquisition Committee		Building Project Committee	
				Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
				Attendance at Board and Board Committees Meetings for the Financial Year ended 31 March 2019											
Cheng Wai Wing Edmund	01 Apr 2018	-	-	4	4	3	3	2	2	-	-	-	-	5	5
Zulkifli Bin Baharudin	01 Apr 2018	01 Apr 2018	-	4	1	-	-	-	-	-	-	-	-	5	1
Chong Siak Ching	13 Nov 2013	01 Apr 2018	-	4	4	3	3	2	2	4	4	-	-	5	5
Chiang See Ngoh	01 Oct 2016	-	31 Mar 2019	4	2	3	2	2	2	-	-	-	-	-	-
Timothy Chin Jun Wun	17 Nov 2017	01 Apr 2018	-	4	4	-	-	-	-	4	3	-	-	5	1
Junie Foo Kwee Joen	01 Aug 2018	-	-	4	2	-	-	-	-	-	-	-	-	-	-
Heng Chen Seng	01 Apr 2018	-	-	4	3	-	-	-	-	4	3	-	-	-	-
Kong Lee Lee Lily	01 Oct 2016	01 Apr 2019	-	4	1	3	3	2	2	4	0*	-	-	-	-
Low Eng Teong	01 May 2017	01 Apr 2018	-	4	4	3	2	2	1	-	-	3	1	-	-
Brian McAdoo	01 Apr 2014	01 Apr 2018	-	4	3	-	-	-	-	4	3	3	2	-	-
Michelangelo Samson	01 Aug 2018	-	-	4	2	-	-	-	-	-	-	3	3	-	-
Imran Bin Tajudeen	01 Oct 2016	01 Apr 2018	-	4	1	-	-	-	-	-	-	3	0	-	-
Collin Tseng Chern Yang @ Collin Liu Chern Yang	01 Apr 2015	01 Apr 2018	-	4	3	3	2	2	2	4	4	-	-	-	-

Note:
*Ms Kong Lee Lily retired as Audit Committee member on 17 July 2018.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2. Board matters (continued)

2.8 Board and Board Committees Meetings (continued)

Attendance at Board Committees Meetings for the Financial Year ended 31 March 2019

Co-Opted Members	Date of First Appointment to Committee	Date of Last Re-Appointment	Date of Retirement	Audit Committee		Acquisition Committee		Building Project Committee	
				Held	Attended	Held	Attended	Held	Attended
Catherine Loh	21 Feb 2014	-	06 Apr 2018	4	1	-	-	-	-
Kenneth Whye Choe	01 Jul 2014	01 Jul 2018	-	-	-	3	3	-	-
Peter Schoppert	01 Jul 2014	01 Jul 2018	-	-	-	3	2	-	-
Tay Swee Lin	01 Jul 2014	01 Jul 2018	-	-	-	3	3	-	-
Michelle Lim	01 Jul 2016	01 Jul 2018	-	-	-	3	2	-	-
Woo Yew Kong, Ian	01 Jul 2016	01 Jul 2018	-	-	-	3	2	-	-
John Chia	01 Jul 2018	-	-	-	-	3	3	-	-
Melani Setiawan	01 Jul 2014	-	30 Jun 2018	-	-	3	0	-	-
Ronny Tan	18 Oct 2016	-	-	-	-	-	-	5	3
Teh Joo Heng	25 Sep 2017	-	-	-	-	-	-	5	5
Yeo Kang Shua	25 Sep 2017	-	-	-	-	-	-	5	2
Sushma Goh	16 Apr 2018	-	-	-	-	-	-	5	3
Tan Kian Huay	24 Sep 2018	-	-	-	-	-	-	5	1**
Seah Choo Meng	24 Sep 2018	-	-	-	-	-	-	5	1**
Lai Huen Poh	25 Feb 2019	-	-	-	-	-	-	5	1***
Ng Eng Kiong	25 Feb 2019	-	-	-	-	-	-	5	1***
Eugene Tan Jui-Te	25 Feb 2019	-	-	-	-	-	-	5	1***

Note:

**Mr Tan Kian Huay and Mr Seah Choo Meng: Attended one meeting out of three meetings convened during the period of Oct 2018 - Feb 2019.

***Mr Lai Huen Poh, Mr Ng Eng Kiong and Dr Eugene Tan Jui-Te: Only one meeting was convened since their appointment on 25 Feb 2019.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

2.9 Remuneration

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

	2019	2018
\$100,000 to below \$200,000	3	2
\$0 to below \$100,000	-	1
	<u>3</u>	<u>3</u>

There is no paid staff who is a close member of the family of the Executive Head or Board Member of the Company.

3. Conflict of interest

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

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

4. Principal activity and objectives

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

5. Review of activities during the financial year

Curatorial projects and exhibitions

In view of SAM's upcoming revamp, the museum began the financial year with a reflection of SAM's pasts with 'Installation in Progress', a presentation that tracked the history of exhibition-making at the Singapore Art Museum since 1996. Conceived in three components, the 'Installation in Progress' exhibition featured a timeline of SAM's exhibition history, an interactive board encouraging visitors to develop exhibition ideas using artworks from SAM's collection, and an artwork commission by Singaporean artist Michael Lee. Research done for the exhibition also culminated in a publication detailing SAM's exhibition history available for free public download – Singapore Art Museum: An Index of Exhibitions 1994 – 2008.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

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

Curatorial projects and exhibitions (continued)

This excavation of SAM's past found further elaboration in archaeological digs at the SAM front lawn and courtyards conducted by ISEAS (Institute of Southeast Asian Studies, NUS). The archaeological digs were part of necessary investigations to be carried out on SAM's premises due to the building's National Monument status. The digs, the first of its kind to be open for public observation, were conducted during the Singapore Heritage Festival where they were complemented by an exhibition 'Archaeology in Singapore', as well as academic lectures, archaeology tours and 'Meet the Archaeologists' sessions. These shed light on the heritage of the precinct and the SAM buildings, and were well received by the general public and by academics. A special commission of theatrical tours was also created that took audiences on an intimate journey through the museum buildings – including parts not usually accessible by the public (e.g. loading bay, basement library) – to experience dramatically rendered and historically-inspired scenes from the building's 160-year history.

In May 2018, SAM's annual family-friendly exhibition returned with its 2018 edition titled, 'Imaginarium: Into the Space of Time'. The eighth edition of the exhibition featured 10 artists from around the world exploring the concept of time, and led visitors through immersive and interactive artworks to uncover what the fourth dimension means to different people and cultures. The artworks and programmes encouraged inter-generational sharing and bonding within families.

Underscoring the museum's long-term partnerships, SAM opened the APB Foundation Signature Art Prize 2018 exhibition at the National Museum of Singapore in May. For this fourth edition of the triennial awards, the geographical reach of the prize was extended to the countries of Central Asia, allowing for greater understanding of aesthetic practices and exchange of knowledge across the region. The 2018 finalists ranged from countries as diverse as Vietnam, Japan, New Zealand, Taiwan and Kazakhstan, with one of the Vietnamese finalists winning the grand prize.

On the national front, with Singapore commemorating 50 years of diplomatic relations with Indonesia, SAM contributed by curating the commission of a collaborative artwork by Singaporean artist Mintio and Indonesian artist Kabul. Titled 'The Current/s We Call Home (Arus Berlabuh Kita)', the work involved families living between Singapore and Indonesia, and that touched on personal narratives and connections. The artwork, installed at the Asian Civilisations Museum's Contemporary Gallery, served to showcase both the interwoven histories of Singapore and Indonesia and the work of young artists from the Southeast Asian region.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

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

Curatorial projects and exhibitions (continued)

Wrapping up our year of exhibitions, SAM presented the President's Young Talents (PYT), Singapore's premier and only mentoring, commissioning, and award programme, which recognises promising artists aged 35 and below whose practices chart new dimensions and push the boundaries in Singapore contemporary art thinking and production. PYT was inaugurated by SAM in 2001 to promote critically engaged practices through discourse and experimentation. As the closing show at SAM's buildings prior to renovation, the 2018 edition showcased exciting new works by the selected artists across disciplines of painting, performance, new media, installation, and sculpture.

The final weekend of PYT also saw the presentation of the Singapore Biennale 2019 (SB2019) Teaser – a sneak peek of the exhibition commissioned of SAM by the National Arts Council, Singapore. Held during Singapore Art Week, the preview highlighted four Biennale artists - Arnont Nongyao (Thailand), Dennis Tan (Singapore/Japan), Zai Tang (Singapore/UK), and Vandy Rattana (Cambodia), and comprised artist-curator talks, screenings and performance sessions. Sound, moving image, performance, research, technology and craft converged at this festival-seminar event held at SAM at 8Q and 8Q Plaza, setting the stage for the upcoming Singapore Biennale.

Titled 'Every Step in the Right Direction', the Singapore Biennale will open its doors in November 2019. One of the works at the upcoming Biennale has since been presented as a co-commission between SB2019 and the 9th Asia Pacific Triennale in November 2018, as one outcome of SAM's partnership with QAGOMA (Queensland Art Gallery | Gallery of Modern Art, Australia). The installation by Singaporean artist Boedi Widjaja, 'Black—Hut, Black—Hut 2018-2019' examines the commonalities and shared architectures of Singapore and Australia, and will see a further iteration at SB2019.

Engagement with Social Organisations and Communities

Continuing SAM's commitment to communities around us, the museum provided consultative advice on the Yellow Ribbon Community Art Exhibition as part of SAM's decade-long collaboration with Singapore Prison Service. The exhibition was held at Raffles City Shopping Centre and was opened by the President of Singapore, Dr. Halimah Yacob. Working with artist mentors and inmate artists, the programme supports inmate rehabilitation and reintegration into society. It is an affirmation of SAM's vision to play a role in creating better futures through offering opportunities for understanding and compassion through aesthetic expressions and experiences, as well as demonstrating the recuperative capacity of art.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

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

Engagement with Social Organisations and Communities (continued)

In expanding the museum's efforts to make art accessible to different audience segments and communities, the SAM Touch Collection was launched. Intended to be shared first with the visually-impaired (VI) community, the initiative produced customised adaptations of artworks from the National Collection, selected for their reflection upon historical, cultural and social aspects of Singapore. Besides enabling the VI community to experience these artworks, the project has also been crucial in developing SAM's relations with the VI community and has strengthened artists' capacities in creating accessible works.

Outreach through Public and Education Programmes

Begun in 2012, the Think! Contemporary Programme presented its 7th edition in 2018. The Programme is a multi-visit, museum-based school programme that advocates learning through art at SAM for Primary Schools and Preschools. Integrating school curricula with museum visits, the programme employs artworks from various ongoing SAM exhibitions as a primary resource for classroom teaching and learning of Art, Character and Citizenship Education, English, Science and Social Studies. This programme culminates in an exhibition supported by SAM. Drawing from the success of the Think! Contemporary Programme for Primary Schools, the programme has been extended to Preschools starting 2019.

Finally, in engaging the community beyond the museum, of which SAM is very much a part of, the museum hosted the 6th IPS-SAM Spotlight on Cultural Policy Series Roundtable, 'Bang for the Funding Buck: KPIs and Capturing the Impact of the Arts'. The event, that is developed to be a free and open platform for discussion, debated the subject of KPIs and how such statistics influence funding of the arts. Invited guests included arts and culture policymakers, leaders of cultural institutions, heads of various arts groups and art festivals, and academics.

SINGAPORE ART MUSEUM

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2019

6. Reserves Policy

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

SINGAPORE ART MUSEUM

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2019.

In the opinion of the directors,

- (a) the financial statements as set out on pages 24 to 47 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Cheng Wai Wing Edmund	(appointed on 1 April 2018)
Chong Siak Ching	
Brian McAdoo	
Zulkifli Bin Baharudin	
Collin Tseng Chern Yang @ Collin Liu Chern Yang	
Imran Bin Tajudeen	
Kong Lee Lee Lily	
Low Eng Teong	
Timothy Chin Jun Wun	
Heng Chen Seng	(appointed on 1 April 2018)
Junie Foo Kwee Joen	(appointed on 1 August 2018)
Michelangelo Samson	(appointed on 1 August 2018)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

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

SINGAPORE ART MUSEUM

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

Share options

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

Independent auditor

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

On behalf of the directors,



Cheng Wai Wing Edmund
Director



Collin Tseng Chern Yang @
Collin Liu Chern Yang
Director

25 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE ART MUSEUM
For the financial year ended 31 March 2019

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Singapore Art Museum. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the year ended 31 March 2019;
- the balance sheet as at 31 March 2019;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report 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 regard.

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

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

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

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

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

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

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

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

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

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

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



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 25 June 2019

SINGAPORE ART MUSEUM

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
Income			
Rental income		227,458	421,138
Donation income		870,246	247,437
Service income		113,328	203,281
Admission fees		85,789	103,667
Other income		88,987	125,048
		<u>1,385,808</u>	<u>1,100,571</u>
Expenses			
- Employee compensation	4	(5,527,200)	(5,200,824)
- Exhibition expenses		(1,451,795)	(844,132)
- Depreciation of property, plant and equipment	9	(163,299)	(242,504)
- Amortisation of intangible assets	11	(15,000)	-
- IT expenses		(338,061)	(352,692)
- Publicity and public relations		(723,743)	(858,611)
- Rental on operating leases		(2,452,908)	(2,413,756)
- Repairs and maintenance		(567,081)	(887,639)
- Security services		(668,622)	(747,724)
- Utilities		(386,716)	(616,409)
- Others		(1,279,755)	(1,308,070)
Total expenses		<u>(13,574,180)</u>	<u>(13,472,361)</u>
Deficit before grants		<u>(12,188,372)</u>	<u>(12,371,790)</u>
Grants			
- Deferred capital grants amortised	16	44,300	107,806
- Operating grants		11,383,975	11,465,400
- Other grants		860,935	1,467,833
		<u>12,289,210</u>	<u>13,041,039</u>
Net surplus and total comprehensive income		<u>100,838</u>	<u>669,249</u>

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

SINGAPORE ART MUSEUM

BALANCE SHEET

As at 31 March 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	6,091,171	7,455,459
Trade receivables	7	94,453	349,938
Other receivables		90,893	64,455
Other current assets	8	259,197	272,933
		<u>6,535,714</u>	<u>8,142,785</u>
Non-current assets			
Property, plant and equipment	9	139,234	462,183
Museum redevelopment in progress	10	78,029	-
Intangible asset	11	165,000	-
		<u>382,263</u>	<u>462,183</u>
Total assets		<u>6,917,977</u>	<u>8,604,968</u>
LIABILITIES			
Current liabilities			
Other payables	12	1,289,835	1,654,163
Grants received in advance	13	1,871,784	2,543,991
Funds received in advance for museum redevelopment	14	-	-
Deferred donations	15	262,361	969,355
		<u>3,423,980</u>	<u>5,167,509</u>
Non-current liabilities			
Provision for reinstatement cost	17	288,918	288,918
Deferred capital grants	16	162,329	206,629
		<u>451,247</u>	<u>495,547</u>
Total liabilities		<u>3,875,227</u>	<u>5,663,056</u>
NET ASSETS		<u>3,042,750</u>	<u>2,941,912</u>
EQUITY			
Accumulated surplus		3,042,750	2,941,912
Total equity		<u>3,042,750</u>	<u>2,941,912</u>

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

SINGAPORE ART MUSEUM

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Accumulated surplus \$
At 1 April 2018	2,941,912
Total comprehensive income	<u>100,838</u>
At 31 March 2019	<u>3,042,750</u>
At 1 April 2017	2,272,663
Total comprehensive income	<u>669,249</u>
At 31 March 2018	<u>2,941,912</u>

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

SINGAPORE ART MUSEUM

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Deficit before grants		(12,188,372)	(12,371,790)
Adjustments for:			
- Depreciation		163,299	242,504
- Amortisation		15,000	-
- Donation income		(870,246)	(247,437)
		<u>(12,880,319)</u>	<u>(12,376,723)</u>
Change in working capital:			
- Trade receivables		333,819	276,553
- Other receivables		(26,438)	(55,751)
- Other current assets		13,736	70,410
- Other payables		(364,328)	(708,640)
Net cash used in operating activities		<u>(12,923,530)</u>	<u>(12,794,151)</u>
Cash flows from investing activities			
Additions to property, plant and equipment		(20,350)	(72,483)
Additions to museum redevelopment in progress		(897,301)	-
Net cash used in investing activities		<u>(917,651)</u>	<u>(72,483)</u>
Cash flows from financing activities			
Grants received		11,494,369	14,467,533
Funds received for museum redevelopment		819,272	-
Donations received		163,252	1,011,551
Net cash provided by financing activities		<u>12,476,893</u>	<u>15,479,084</u>
Net (decrease)/increase in cash and cash equivalents		(1,364,288)	2,612,450
Cash and cash equivalent as at beginning of financial year		<u>7,455,459</u>	<u>4,843,009</u>
Cash and cash equivalent as at end of financial year	6	<u>6,091,171</u>	<u>7,455,459</u>

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

1. General information

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2019

On 1 April 2018, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2019 (continued)

(a) *Adoption of FRS 115 Revenue from Contracts with Customers*

The Company has adopted the new standard using the modified retrospective approach with the cumulative impact of the adoption recognised in the opening retained earnings at 1 April 2018. Comparative information for the financial year ended 31 March 2018 are not restated.

The Company has assessed that there is no material impact on the financial statements in the year of initial application.

The accounting policies for revenue from contracts with customers under FRS 115 are disclosed in Note 2.2.

(b) *Adoption of FRS 109 Financial Instruments*

The Company has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. There are no differences between the carrying amounts as at 31 March 2018 and 1 April 2018.

There are no material changes to the classification and measurement of its financial assets and financial liabilities.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 2.10.

Impairment of financial assets

The Company has the following financial assets subject to the expected credit loss impairment model under FRS 109:

- Cash and bank deposits; and
- Trade and other receivables.

The impairment methodology for each of these classes of financial assets under FRS 109 are different as disclosed in Note 2.10 and Note 21(b).

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.2 Revenue recognition

(a) Donations

Donations for general purposes are recognised as income upon receipt.

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

(b) Admission fees

The Company sells tickets for admission to the museum. Admission fees are recognised as income at the point when the tickets are sold to the customer. The amount of revenue recognised is the amount of transaction price allocated to each ticket.

(c) Rental income

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

(d) Service income

The Company provides services to its visitors and utilities to tenants of the museum. Income from rendering of services is recognised in the accounting period when services are rendered

2.3 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.4 Operating lease payments

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

2.5 Property, plant and equipment

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

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

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

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

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

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

2.6 Museum redevelopment in progress

Museum redevelopment in progress consist of construction costs and related expenses incurred by the Company during the period of the redevelopment of the Singapore Art Museum buildings held by the Government. Funds received from the Government and other agencies for the redevelopment project are applied against these costs.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.7 Funds received in advance for museum redevelopment

Funds received from the Government and other agencies to fund the redevelopment of the Singapore Art Museum buildings are taken to funds received in advance in the first instance. They are subsequently taken to the Museum redevelopment in progress account upon utilisation of the funds.

2.8 Intangible assets

Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.9 Impairment of non-financial assets

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

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

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

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

2.10 Financial assets

(a) The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables

Cash and cash equivalents

Trade and other receivables

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

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

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

(b) The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement categories:

- Amortised cost

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and cash equivalents, and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivables, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.11 Grants

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

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

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

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

2.12 Other payables

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

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2. Significant accounting policies (continued)

2.13 Provisions

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

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

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

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

2.14 Cash and cash equivalents

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

2.15 Currency translation

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

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3. Members' guarantee

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

As at 31 March 2019, the Company has 3 members (2018: 3 members).

4. Employee compensation

	2019 \$	2018 \$
Wages and salaries	4,752,400	4,415,041
Employer's contribution to Central Provident Fund	774,800	785,783
	<u>5,527,200</u>	<u>5,200,824</u>

5. Income tax expense

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

6. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and on hand	<u>6,091,171</u>	<u>7,455,459</u>

7. Trade receivables

	2019 \$	2018 \$
Trade receivables - non-related parties	<u>94,453</u>	<u>349,938</u>

8. Other current assets

	2019 \$	2018 \$
Deposits	228,633	241,187
Prepayments	30,564	31,746
	<u>259,197</u>	<u>272,933</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

9. Property, plant and equipment	Furniture and fittings \$	Office equipment \$	Mechanical and electrical equipment \$	Audio visual equipment \$	Health & safety equipment \$	Computer equipment \$	Asset under construction \$	Total \$
<u>Cost</u>								
At 1 April 2018	318,368	603,723	3,350	192,401	5,000	221,363	165,000	1,509,205
Additions	-	5,350	-	-	-	-	15,000	20,350
Transferred to intangible assets (Note 11)	-	-	-	-	-	-	(180,000)	(180,000)
At 31 March 2019	318,368	609,073	3,350	192,401	5,000	221,363	-	1,349,555
<u>Accumulated depreciation</u>								
At 1 April 2018	192,325	492,761	908	167,716	1,083	192,229	-	1,047,022
Depreciation charge	97,833	33,685	418	15,413	1,000	14,950	-	163,299
At 31 March 2019	290,158	526,446	1,326	183,129	2,083	207,179	-	1,210,321
Net book value								
At 31 March 2019	28,210	82,627	2,024	9,272	2,917	14,184	-	139,234
<u>Cost</u>								
At 1 April 2017	318,368	599,577	3,350	192,401	5,000	218,026	100,000	1,436,722
Additions	-	4,146	-	-	-	3,337	65,000	72,483
At 31 March 2018	318,368	603,723	3,350	192,401	5,000	221,363	165,000	1,509,205
<u>Accumulated depreciation</u>								
At 1 April 2017	91,538	405,595	489	130,940	83	175,873	-	804,518
Depreciation charge	100,787	87,166	419	36,776	1,000	16,356	-	242,504
At 31 March 2018	192,325	492,761	908	167,716	1,083	192,229	-	1,047,022
Net book value								
At 31 March 2018	126,043	110,962	2,442	24,685	3,917	29,134	165,000	462,183

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10. Museum redevelopment in progress

On 1 April 2017, the Company announced the redevelopment of the Singapore Art Museum buildings.

The cumulative costs incurred and utilisation of the funds received from the Government and other agencies in relation to the redevelopment of the Singapore Art Museum buildings for the financial years are as follows:

	2019	2018
	\$	\$
<u>Costs</u>		
Beginning of financial year	-	-
Additions	897,301	-
End of financial year	<u>897,301</u>	-
<u>Funds utilised</u>		
Beginning of financial year	-	-
Utilisation of funds (Note 14)	819,272	-
End of financial year	<u>819,272</u>	-
Net carrying amount	<u>78,029</u>	-

11. Intangible assets

Computer software licences

	2019	2018
	\$	\$
<u>Costs</u>		
Beginning of financial year	-	-
Transferred from property, plant and equipment (Note 9)	180,000	-
End of financial year	<u>180,000</u>	-
<u>Accumulated amortisation</u>		
Beginning of financial year	-	-
Amortisation charge	15,000	-
End of financial year	<u>15,000</u>	-
Net book value	<u>165,000</u>	-

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

12. Other payables

	2019	2018
	\$	\$
Other payables	176,797	411,114
Accrued operating expenses	1,113,038	1,243,049
	<u>1,289,835</u>	<u>1,654,163</u>

13. Grants received in advance

	2019	2018
	\$	\$
Beginning of financial year	2,543,991	850,421
Grants received during the year	11,494,369	14,467,533
Transferred to profit or loss	(12,166,576)	(12,708,963)
Transferred to deferred capital grants (Note 16)	-	(65,000)
End of financial year	<u>1,871,784</u>	<u>2,543,991</u>

14. Funds received in advance for museum redevelopment

	2019	2018
	\$	\$
Beginning of financial year	-	-
Funds received during the year	819,272	-
Utilisation for museum redevelopment in progress (Note 10)	(819,272)	-
End of financial year	<u>-</u>	<u>-</u>

15. Deferred donations

	2019	2018
	\$	\$
Beginning of financial year	969,355	205,241
Donations received	163,252	1,011,551
Transferred to profit or loss	(870,246)	(247,437)
End of financial year	<u>262,361</u>	<u>969,355</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

16. Deferred capital grants

	2019	2018
	\$	\$
Beginning of financial year	206,629	249,435
Transferred from Grant – CMF (Note 13)	-	65,000
Amortised to income statement	(44,300)	(107,806)
End of financial year	<u>162,329</u>	<u>206,629</u>

In the prior financial year, the Company has obtained approval from National Art Council to utilise the Culture Matching Funds ("CMF") for capital grants related operations.

17. Provision for reinstatement cost

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

	2019	2018
	\$	\$
Provision for reinstatement cost	<u>288,918</u>	<u>288,918</u>

18. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2019	2018
	\$'000	\$'000
Museum redevelopment in progress	<u>5,252,978</u>	-

The contracts are entered into with the non-related parties, as part of the redevelopment of the Singapore Art Museum buildings held by the Government.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

18. Commitments (continued)

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

The Company leases office premises under operating lease agreements.

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

	2019 \$	2018 \$
Not later than one year	2,452,908	2,452,908
More than one year	1,452,158	2,575,250
	<u>3,905,066</u>	<u>5,028,158</u>

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

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

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

	2019 \$	2018 \$
Not later than one year	<u>-</u>	<u>262,520</u>

19. Key management personnel compensation

Key management personnel compensation is as follows:

	2019 \$	2018 \$
Wages and salaries	305,514	235,094
Post-employment benefits - Contribution to Central Provident Fund	37,677	28,929
	<u>343,191</u>	<u>264,023</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20. Charities Act and Regulations

As required for disclosure under regulation 17 of the Charities (Institutions of a Public Character) Regulations, the Company has received tax deductible donations of \$62,355 (2018: \$101,104) for the financial year ended 31 March 2019.

21. Financial risk management

Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

(b) Credit risk

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

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

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21. Financial risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Company's credit risk exposure in relation to trade receivables under FRS 109 as at 31 March 2019 and 1 April 2018 are set out in the provision matrix as follows:

	← Past due →			Total \$
	Current \$	Within 30 days \$	30 to 60 days \$	
<u>31 March 2019</u>				
Trade receivables	91,868	2,585	-	94,453
Loss allowances	-	-	-	-
				<hr/>
	← Past due →			Total \$
	Current \$	Within 30 days \$	30 to 60 days \$	
<u>1 April 2018</u>				
Trade receivables	296,463	34,304	19,171	349,938
Loss allowances	-	-	-	-
				<hr/>

Trade receivables are subject to immaterial credit loss because there have been no historical default and the debtors have the financial capability to meet the contractual cash flow obligations.

Bank deposits are mainly deposits transacted with banks which have good credit ratings as determined by international credit-rating agencies. Therefore, they are subject to immaterial credit loss.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21. Financial risk management (continued)

(b) Credit risk (continued)

Previous accounting policy for impairment of trade receivables

In the financial year ended 31 March 2018, the impairment of the financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor
- Breach of contract, such as default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

The Company's credit risk exposure in relation to trade receivables under FRS 39 as at 31 March 2018 are set out as follows:

	← Past due →				Total \$'000
	Within 30 days \$'000	30 to 60 days \$'000	60 to 90 days \$'000	More than 90 days \$'000	
Trade receivables					
Gross carrying amount:					
- Not past due					296,463
- Past due but not impaired	34,304	19,171	-	-	53,475
- Past due and impaired	-	-	-	-	-
					349,938
Less: Allowances for impairment					-
Net carrying amount					349,938

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

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

There are no credit loss allowance for other financial asset at amortised cost as at 31 March 2018.

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21. Financial risk management (continued)

(c) Liquidity risk

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

	Less than 1 year \$
At 31 March 2019	
Other payables	<u>1,289,835</u>
At 31 March 2018	
Other payables	<u>1,654,163</u>

(d) Capital risk

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

(e) Financial instruments by category

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

	2019 \$
Financial assets, at amortised costs	6,505,150
Financial liabilities at amortised cost	<u>1,289,835</u>
	2018 \$
Loans and receivables	8,111,039
Financial liabilities at amortised cost	<u>1,654,163</u>

SINGAPORE ART MUSEUM

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

22. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2019 and which the Company has not early adopted:

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

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

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of \$3,905,066 (Note 18 (b)). However, the Company has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's surplus and classification of cash flows.

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

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

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Art Museum on 25 June 2019.