

NATIONAL GALLERY SINGAPORE

(Incorporated in Singapore. Registration Number: 200900977G)

ANNUAL REPORT

For the financial year ended 31 March 2015

NATIONAL GALLERY SINGAPORE

(Incorporated in Singapore)

ANNUAL REPORT

For the financial year ended 31 March 2015

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NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

CORPORATE INFORMATION

National Gallery Singapore (the "Gallery") was incorporated under the Companies Act, Cap 50 on 16 January 2009 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 THE GALLERY

Prof Tommy Koh
Ms Yeoh Chee Yan
Mr Koh Seow Chuan

EXTERNAL AUDITORS

PricewaterhouseCoopers LLP

INTERNAL AUDITORS

Ernst & Young Advisory Pte Ltd

PANEL OF LEGAL ADVISORS

Hin Tat Augustine & Partners
Infinitus Law Corporation
RHT Law Taylor Wessing
Samuel Seow Law Corporation
Wong Partnership

PRINCIPAL BANKER

DBS Bank Limited

COMPANY SECRETARY

Ms Claire Tham Li Mei, Hin Tat Augustine & Partners (with effect from 1 April 2014)

CHARITY STATUS

Charity Registration No.
200900977G

Charity Registration Date:
7 January 2010

COMPANY STATUS:

Company limited by guarantee

Incorporation Date:
16 January 2009

UEN:
200900977G

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

IPC STATUS

Effective Period:

14 November 2013 to 13 November 2015

REGISTERED ADDRESS

1 St. Andrew's Road #01-01 Singapore 178957 (with effect from 17 November 2014)

Tel: (65) 6690 9401 Fax: (65) 6690 9404

Email: info@nationalgallery.sg

Website: www.nationalgallery.sg

1. BOARD GOVERNANCE

1.1 Board Composition and Roles

The Board comprises twelve directors, one of whom is an executive director and one of whom is a representative from MCCY. The Board members, except for the executive director, do not receive any remuneration for their services.

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

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

Name	Designation	Date of First Appointment	Date of Last Re-Appointment
Hsieh Fu Hua Chairman United Overseas Bank Limited (UOB)	Chairman	1 Apr 2009	1 Jul 2013
Jose Isidro Navato Camacho Managing Director and Vice Chairman of Asia Pacific, Country Chief Executive Officer Singapore Credit Suisse	Member	1 Jul 2013	-
Chen Huey Rosa Deputy Secretary (Culture) Ministry of Culture, Community and Youth (MCCY)	Member	1 Mar 2013	1 Jul 2013

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.1 Board Composition and Roles (continued)

Name	Designation	Date of First Appointment	Date of Last Re-Appointment
Chew Choon Seng Chairman Singapore Exchange Limited	Member	1 Jan 2015	-
Chong Siak Ching Chief Executive Officer National Gallery Singapore	Member	15 Oct 2012	1 Jul 2013
Jane Ittogi Chair Singapore Art Museum	Member	1 Apr 2009	1 Jul 2013
Kwee Liong Seen Executive Director Pontiac Land Pte Ltd	Member	1 Jul 2011	1 Jul 2013
Kwok Kenson Founding Director (Honorary) Asian Civilisations Museum and Peranakan Museum	Member	1 Jul 2013	-
Kathy Lai Sou Tien Chief Executive Officer National Arts Council	Member	1 Dec 2013	-
Puah Tuan Soon Benson Chief Executive Officer The Esplanade Co Ltd	Member	1 Aug 2009	1 Jul 2013
Suriani Bte Suratman Senior Lecturer National University of Singapore	Member	1 Jul 2011	1 Jul 2013
Wee Sin Tho Senior Advisor Office of the President National University of Singapore	Member	1 Jul 2013	-

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.2 Board Committees

The Board has delegated specific responsibilities to six committees and each committee has its own terms of reference which are approved by the Board.

Executive Committee (EXCO)

The EXCO assists the Board in the stewardship and oversight of the Gallery 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:

Name	Designation	Date of Re-Appointment/ Last Appointment
Hsieh Fu Hua	Chairman	25 Jul 2013
Jose Isidro Navato Camacho	Member	25 Jul 2013
Chong Siak Ching	Member	25 Jul 2013
Jane Ittogi	Member	25 Jul 2013
Kwee Liong Seen	Member	25 Jul 2013
Puah Tuan Soon Benson	Member	25 Jul 2013

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 reviews and endorses the remuneration policy of the Gallery and the appointment and remuneration of key positions.

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

Name	Designation	Date of Re-Appointment/ Last Appointment
Hsieh Fu Hua	Chairman	25 Jul 2013
Jose Isidro Navato Camacho	Member	25 Jul 2013
Jane Ittogi	Member	25 Jul 2013
Kwee Liong Seen	Member	25 Jul 2013
Puah Tuan Soon Benson	Member	25 Jul 2013

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.2 Board Committees (continued)

Audit Committee (AC)

The AC assists the Board in fulfilling its oversight responsibilities in the Gallery'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:

Name	Designation	Date of Re-Appointment/ Last Appointment	Date of Retirement
Puah Tuan Soon Benson	Chairman	25 Jul 2013	31 Jul 2014
Jose Isidro Navato Camacho	Member	25 Jul 2013	
Chen Huey Rosa	Member	25 Jul 2013	
Kyle Lee	Member	25 Jul 2013	
Chairman MFS Technology Ltd			
Yeo Lian Sim	Member	25 Jul 2013	
Special Advisor Singapore Exchange			
Kathy Lai	Member	26 Jan 2015	
Wee Sin Tho	Member	1 Aug 2014	

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.2 Board Committees (continued)

Project Development Committee (PDC)

The PDC 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:

Name	Designation	Date of Re-Appointment/ Last Appointment
Koh Seow Chuan Founding Chairman National Gallery Singapore	Chairman	25 Jul 2013
Chong Siak Ching	Deputy Chairman	25 Jul 2013
Lee Chuan Seng Chairman Beca Asia	Member	25 Jul 2013
Seah Choo Meng Director Langdon & Seah Singapore Pte Ltd	Member	25 Jul 2013
Tan Kian Huay Director NTUC Choice Homes Co- operative Ltd	Member	25 Jul 2013
Teh Hee Seang Chairman TY Lin International Pte Ltd	Member	25 Jul 2013
Raymond Woo Principal Architect Raymond Woo & Associates Architects	Member	25 Jul 2013

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.2 Board Committees (continued)

Acquisition Committee

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

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

Name	Designation	Date of Re-Appointment/ Last Appointment	Date of Retirement
Jose Isidro Navato Camacho	Chairman	1 Jul 2014	
Kwok Kenson	Member	1 Jul 2014	
Shareen Khattar-Harrison	Member	1 Jul 2014	
Founder & Director Platform Projects Limited			
Ahmad Mashadi	Member	1 Jul 2014	
Head NUS Museum			
Milenko Prvacki	Member	25 Jul 2013	17 Apr 2014
Senior Fellow LASALLE College of the Arts			
Suriani Bte Suratman	Member	1 Jul 2014	
Teo Han Wue	Member	1 Jul 2014	
Independent Curator, Art Writer and Editor			
Professor Somporn Rodboon	Member	1 Jul 2014	
Senior lecturer at Chiang Mai University's Faculty of Fine Arts			
Edwin Low Chee Ann	Chairman prior to 30 June 2014	25 Jul 2013	30 Jun 2014
Managing Director Co-Head of Southeast Asia Investment Banking, Deputy Chief Executive Officer Singapore Credit Suisse			

NATIONAL GALLERY SINGAPORE

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 March 2015

1. BOARD GOVERNANCE (continued)

1.2 Board Committees (continued)

Development Committee (DC)

The DC assists the Board in overseeing and providing strategic direction in the Gallery's fundraising activities and in ensuring that good governance is in place in respect of all fundraising activities.

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

Name	Designation	Date of Appointment
Kwee Liong Seen	Chairman	25 Jul 2013
Jose Isidro Navato Camacho	Member	9 Sep 2013
Chong Siak Ching	Member	25 Jul 2013
Kwok Kenson	Member	9 Sep 2013
Wee Sin Tho	Member	1 Oct 2013

2. CONFLICT OF INTEREST

The Gallery'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.

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

3. RESERVE MANAGEMENT POLICY

The Gallery has a Reserve Management Policy to ensure adequate reserves for long-term financial sustainability and to meet unexpected contingency funding needs. Reserve is the part of the Gallery's income funds that is freely available for its operating purposes. Over time, there could be cumulative surplus reserves being built up when grant and operating revenues exceed the Gallery's annual expenditure. The cumulative reserves together with the interest and investment income generated can be drawn upon for operating purposes such as to fund any deficit or the Board can designate reserves to be used for non-operating purposes including special projects that further the Gallery'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.

Reserves are placed in short term bank deposits with financial institutions which have good credit rating and that are incorporated in Singapore. Placement in fixed deposits is approved by CEO. Any proposed investments other than placement in fixed deposits, must be approved by the Board or a committee appointed by the Board.

NATIONAL GALLERY SINGAPORE

DIRECTORS' REPORT

As at 31 March 2015

The directors present their report to the members together with the audited financial statements for the financial year ended 31 March 2015.

Directors

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

Hsieh Fu Hua
Jose Isidro Navato Camacho
Chen Huey Rosa
Chong Siak Ching
Jane Ittogi
Kwee Liong Seen
Kwok Kenson
Kathy Lai Sou Tien
Puah Tuan Soon Benson
Suriani Bte Suratman
Wee Sin Tho
Chew Choon Seng (appointed on 1 January 2015)

Principal activities

The Company is registered as a charity under the Charities Act, Chapter 37.

The objectives of the charity are to research and exhibit Southeast Asian artworks and promote Southeast Asian art, including Singapore art, for the enjoyment of all. The Company will play an active role in driving, developing and fostering visual arts development in Singapore and the larger Southeast Asian region and establish its function as a regional connecting hub and knowledge centre.

The Company has a Board comprising twelve (12) Directors. The Board has delegated specific responsibilities to six (6) committees, namely the Executive Committee, Nomination & Remuneration Committee, Project Development Committee, Acquisition Committee, Audit Committee and Development Committee.

The assets of the charity consists mainly cash held as working capital of the Company. The charity will utilise the cash to develop exciting content and programmes in preparation for the opening of the Gallery. National Gallery Singapore aims to capture the artistic spirit of Singapore and Southeast Asia. By sharing stories of our region's unique art within the global context, the Gallery seeks to be a leading visual arts institution that inspires and engages our people and our neighbours, creating a dialogue between the art of Singapore, Southeast Asia and the world. At the same time, the Gallery will partner reputable institutions, collectors and artists from all over the world to co-curate exhibitions, co-develop programmes, and develop joint research projects.

NATIONAL GALLERY SINGAPORE

DIRECTORS' REPORT

As at 31 March 2015

Review of activities during the financial year

In the financial year from 1 April 2014 to 31 March 2015, the Company intensified efforts in all areas gearing up for the opening of National Gallery Singapore in November 2015.

Construction work on the two buildings, former Supreme Court and City Hall, was completed with the Temporary Occupation Permit ("TOP") obtained in November 2014 and March 2015 respectively.

The Company successfully purchased a significant number of artworks for the National Collection using the acquisition budget allocated. 70% of the purchased artworks will be featured in the inaugural hang of the Singapore and Southeast Asian permanent galleries. The rest of the artworks will be used for future rotation or special exhibitions. The Company also received 22 donated artworks.

On 2 September 2014, the Company confirmed a multi-year gift from United Overseas Bank ("UOB"). UOB's long standing support of the Southeast Asian art community through its annual Painting of the Year Award and significant art collection, found a natural alignment with the Company's mission and vision. In recognition of their partnership, UOB was acknowledged as Founding Partner and the Southeast Asia Gallery in former Supreme Court Wing shall be named as UOB Southeast Asia Gallery. The UOB Southeast Asia Gallery will present a compelling narrative of human culture, as seen through a region that has long been a crossroad for major civilisations, religions and colonial powers. The exhibition will chart the artistic development of the region from the 19th century to present day.

On 25 November 2014, the Company inked a multi-year collaboration agreement with Accenture Singapore. The collaboration aims to bring technological innovation to modern Southeast Asian visual arts through the development of a multimedia companion guide which leverages technology to allow for indoor navigation and visitor education of key artworks. Accenture Singapore will also provide management consultancy and data analysis on both online and in-Gallery visits, enabling the Company to continually improve visitor experience. In appreciation for Accenture Singapore's support, they will receive acknowledgement as our Innovation Partner.

A \$5 million donation from Yong Hon Kong Foundation was secured by the Company on 10 December 2014. The proceeds will be used towards the Company's future artwork acquisitions.

On 22 January 2015, the Company held the inaugural Gallery Art Forum. The Forum featured a panel discussion entitled "Is Singapore the Place for Southeast Asia? – Art, Agencies, Agendas" moderated by Dr Eugene Tan, Director of National Gallery Singapore. The event was hugely successful, with approximately 180 attendees, comprised of curators, art aficionados, stakeholders, local and international media and founding partners.

NATIONAL GALLERY SINGAPORE

DIRECTORS' REPORT

As at 31 March 2015

Review of activities during the financial year (continued)

As an ongoing drive and campaign to make art accessible by reaching and inspiring many more people, on 30 January 2015, the Company launched its video series *My Masterpiece* showcasing 12 significant artworks selected by 12 well-known personalities as advocates and Gallery ambassadors. Starting with Joanne Peh presenting Chua Mia Tee's *Epic Poem of Malaya*, the series continued in February with celebrity chef Willin Low presenting *Marketplace During the Occupation* by Fernando Amorsolo, and Edwin Thumboo presenting *National Language Class* by Chua Mia Tee in March.

The Company continued to introduce more Education and Programming activities in preparation for the opening of the Keppel Centre for Art Education in November 2015. School Outreach Talks exceeded expectations, enabling the Company to reach out to 58,000 students. The Company had co-facilitated school workshops, engaging teachers, pre-school educators and students. Another noteworthy project organised by the Company was *Portraits of the People*. This was a travelling community engagement programme covering 50 locations island-wide, where Singaporeans were called upon to contribute their personal reflections on the National Pledge and provide a self-portrait sketch as a unique signature to affirm their response. The Company's Docent Programme also received overwhelming response, where 249 applicants were finally accepted out of the 329 applications. The Company also commemorated Singapore's 50 years of independence with the Art Connector, a project which will be launched in November 2015. It is a permanent aesthetic sheltered walkway that links City Hall MRT along North Bridge Road and Coleman Street to the entrance of National Gallery Singapore.

On 7 April 2015, the Company confirmed a S\$20 million donation by Singtel. Singtel will support the Company in presenting internationally renowned artworks alongside significant Southeast Asian art. In acknowledging the generous gift from Singtel, the special exhibition galleries located on the third floor of the Gallery will be named the Singtel Special Exhibition Gallery. The space is dedicated to showcasing modern art that is co-curated with renowned museums from around the world.

The Singtel Special Exhibition Gallery will present two international shows yearly with the inaugural show slated for April 2016. This will be co-curated by Dr Eugene Tan, Director of National Gallery, in partnership with one of the world's most renowned art museums, starting with Centre Pompidou. Singtel's gift will enable the Company to undertake more of such collaborative exhibitions with other reputable regional and international art institutions.

The Company continued to build up its talent pool in preparation for the opening and increased its staff strength from approximately 90 as at 31 March 2014 to 127 as at 31 March 2015.

NATIONAL GALLERY SINGAPORE

DIRECTORS' REPORT

As at 31 March 2015

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

The Company is a company limited by guarantee and has no share capital or debentures. Therefore, there are no matters to be disclosed under Section 201(6)(f) and (g), Section 201(6A)(g) and (h), Section 201(11) and Section 201(12) of the Companies Act, Cap 50.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except that a director has an employment relationship with the Company and has received remuneration in that capacity.

Independent auditor

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

On behalf of the Board of Directors



Hsieh Fu Hua
Chairman



Chong Siak Ching
Director

15 JUL 2015

NATIONAL GALLERY SINGAPORE

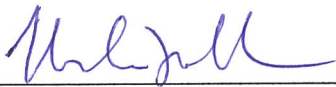
STATEMENT BY DIRECTORS

As at 31 March 2015

In the opinion of the directors,

- (a) the financial statements as set out on pages 15 to 31 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the financial year then ended; 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.

On behalf of the Board of Directors



Hsieh Fu Hua
Chairman



Chong Siak Ching
Director

15 JUL 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL GALLERY SINGAPORE

Report on the Financial Statements

We have audited the accompanying financial statements of National Gallery Singapore set out on pages 15 to 31, which comprise the statement of financial position as at 31 March 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

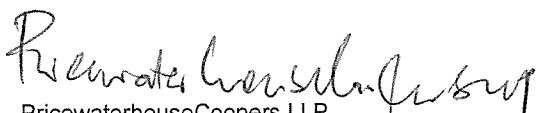
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 March 2015 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

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.

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

- (a) the use of the donation moneys was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.


PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 15 JUL 2015

NATIONAL GALLERY SINGAPORE

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	Note	2015 \$	2014 \$
Income			
Service income		-	96,800
Donation income		17,560,372	173,925
Interest income		38,407	276
Other income		10,828	46,928
		17,609,607	317,929
Expenditure			
- Employee compensation	4	(11,128,988)	(9,075,343)
- Depreciation of property, plant and equipment	8	(160,451)	(135,387)
- Rental on operating leases		(5,309,901)	(2,690,147)
- Utilities		(105,384)	(22,523)
- Exhibition expenses		(208,789)	(51,670)
- Repairs and maintenance		(750,878)	(80,395)
- Recruitment expenses		(150,783)	(61,762)
- Other services and fees		(186,771)	(33,048)
- Consultancy and professional fees		(1,874,474)	(216,221)
- IT expenses		(1,138,976)	(526,951)
- Art handling services		(233,948)	(94,906)
- Supplies and materials		(317,782)	(142,425)
- Publicity and public relations		(1,481,039)	(127,241)
- Programme expenses		(1,853,989)	(346,803)
- Staff welfare and development		(457,808)	(203,624)
- Travel, transport, postages and communications		(412,851)	(299,899)
- Publication expenses		(42,200)	-
- Security services		(350,203)	-
- Art funding		-	(91,425)
Total expenditure		(26,165,215)	(14,199,770)
Deficit before grants		(8,555,608)	(13,881,841)
Grants			
- Deferred capital grants amortised	12	160,451	135,387
- Grants received from Government	10	26,004,764	13,972,959
		26,165,215	14,108,346
Net surplus and total comprehensive income		17,609,607	226,505

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

NATIONAL GALLERY SINGAPORE

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	32,389,774	12,206,005
Other receivables	7	297,055	919,134
		<u>32,686,829</u>	<u>13,125,139</u>
Non-current asset			
Plant and equipment	8	321,872	204,007
		<u>321,872</u>	<u>204,007</u>
Total assets		<u>33,008,701</u>	<u>13,329,146</u>
LIABILITIES			
Current liabilities			
Other payables	9	5,634,609	1,702,628
Grants received in advance	10	4,943,930	8,891,278
Deferred donations	11	4,060,975	2,010,975
		<u>14,639,514</u>	<u>12,604,881</u>
Non-current liabilities			
Deferred capital grants	12	321,872	204,007
Provision for restoration cost		-	82,550
		<u>321,872</u>	<u>286,557</u>
Total liabilities		<u>14,961,386</u>	<u>12,891,438</u>
NET ASSETS		<u>18,047,315</u>	<u>437,708</u>
EQUITY			
Accumulated surplus		18,047,315	437,708
Total equity		<u>18,047,315</u>	<u>437,708</u>

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

NATIONAL GALLERY SINGAPORE

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2015

	Accumulated <u>surplus</u> \$
2015	
Beginning of financial year	437,708
Total comprehensive income	<u>17,609,607</u>
End of financial year	<u>18,047,315</u>
2014	
Beginning of financial year	211,203
Total comprehensive income	<u>226,505</u>
End of financial year	<u>437,708</u>

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

NATIONAL GALLERY SINGAPORE

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Deficit before grants		(8,555,608)	(13,881,841)
Adjustments for:			
- Depreciation		160,451	135,387
- Donations income		(17,560,372)	(173,925)
- Interest income		(38,407)	(276)
		<u>(25,993,936)</u>	<u>(13,920,655)</u>
Change in working capital:			
- Other receivables		622,079	(685,185)
- Other payables		3,849,431	1,205,569
Net cash used in operating activities		<u>(21,522,426)</u>	<u>(13,400,271)</u>
Cash flows from investing activities			
Interest received		38,407	276
Additions to property, plant and equipment		(278,316)	(107,005)
Net cash used in investing activities		<u>(239,909)</u>	<u>(106,729)</u>
Cash flows from financing activities			
Grants received		22,335,732	19,298,559
Cash donations received		19,610,372	2,182,500
Net cash provided by financing activities		<u>41,946,104</u>	<u>21,481,059</u>
Net increase in cash and cash equivalents		20,183,769	7,974,059
Cash and cash equivalents at beginning of financial year		<u>12,206,005</u>	<u>4,231,946</u>
Cash and cash equivalents at end of financial year	6	<u>32,389,774</u>	<u>12,206,005</u>

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

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

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

1. General information

National Gallery Singapore (the "Company") is incorporated in the Republic of Singapore. With effect from 17 November 2014, the address of its registered office was changed from 61 Stamford Road, #04-01 Stamford Court, Singapore 178892 to 1 St. Andrew's Road, #01-01, Singapore 178957.

The principal activities of the Company are to contribute to building Singapore as a regional hub for visual arts and to focus on the display, promotion, research and study of Southeast Asian art, including Singapore art.

The Company is registered as a charity under the Singapore Charities Act, Chapter 37. With effect from 14 November 2013, the Company has obtained Institute of a Public Character (IPC) status.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and 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. Management has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the Company's assets and liabilities in these financial statements.

Interpretations and amendments to published standards effective in 2015

On 1 April 2014, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. 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.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Service income are recognised when the services have been rendered.

Contributions and other sponsorships are recognised as income when the right to receive the contributions and other sponsorships has been established.

Donations for general purposes are recognised as income upon receipt.

Donations for specific purposes with conditions attached are recognised as income when it is probable that these conditions would be met, over the periods that the Company recognises as expense the related costs that the donations are intended to compensate. Any unutilised donations for the year are taken to the deferred donations account.

Interest income is recognised using the effective interest method.

2.3 Employee compensation

(a) *Defined contribution plans*

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) *Employee leave entitlement*

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

2.4 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.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

2. Significant accounting policies (continued)

2.5 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Leasehold improvements	3 years
Computers	3 years
Office equipment	6 years
Audio visual equipment	5 years

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

2.6 Impairment of non-financial assets

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of 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.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

2. Significant accounting policies (continued)

2.7 Cash and cash equivalents and other receivables

Cash and cash equivalents 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.

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

2.8 Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all required conditions will be complied with.

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 in the same year.

Other government 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.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

2. Significant accounting policies (continued)

2.9 Other payables

Other payables represent unpaid liabilities for goods and services provided to the Company prior to the end of financial year. 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). If not, 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.

2.10 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as accretion expense in profit or loss.

2.11 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.

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 2015, the Company has 3 members (2014: 3 members).

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

4. Employee compensation

	2015 \$	2014 \$
Wages and salaries	9,882,110	8,177,966
Employer's contribution to Central Provident Fund	1,246,878	897,377
	<u>11,128,988</u>	<u>9,075,343</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

	2015 \$	2014 \$
Cash and bank balances	12,859,367	11,206,005
Fixed deposit	19,530,407	1,000,000
	<u>32,389,774</u>	<u>12,206,005</u>

As at 31 March 2015, fixed bank deposits have an effective interest rate of 0.74% (2014: 0.18%) per annum.

7. Other receivables

	2015 \$	2014 \$
Amount due from supervisory ministry	3,718	22,607
Deposits	1,240	188,821
Other receivables	84,856	212,301
Prepayment	207,241	495,405
	<u>297,055</u>	<u>919,134</u>

The amount due from the supervisory ministry is unsecured, interest-free and repayable on demand.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

8. Plant and equipment

	Leasehold improvement	Computers	Office equipment	Audio visual equipment	Construction -in-progress	Total
	\$	\$	\$	\$	\$	\$
2015						
<u>Cost</u>						
Beginning of financial year	284,566	456,797	-	2,952	-	744,315
Additions	-	173,038	16,180	-	89,098	278,316
Disposals	(282,084)	-	-	-	-	(282,084)
Reclassification	(1,198)	(10,197)	11,395	-	-	-
End of financial year	1,284	619,638	27,575	2,952	89,098	740,547
<u>Accumulated depreciation</u>						
Beginning of financial year	284,481	254,154	-	1,673	-	540,308
Depreciation charge	85	155,442	4,334	590	-	160,451
Disposals	(282,084)	-	-	-	-	(282,084)
Reclassification	(1,198)	(519)	1,717	-	-	-
End of financial year	1,284	409,077	6,051	2,263	-	418,675
<u>Net book value</u>						
End of financial year	-	210,561	21,524	689	89,098	321,872
2014						
<u>Cost</u>						
Beginning of financial year	284,566	350,990	-	2,952	-	638,508
Additions	-	107,005	-	-	-	107,005
Disposals	-	(1,198)	-	-	-	(1,198)
End of financial year	284,566	456,797	-	2,952	-	744,315
<u>Accumulated depreciation</u>						
Beginning of financial year	280,003	125,034	-	1,082	-	406,119
Depreciation charge	4,478	130,318	-	591	-	135,387
Disposals	-	(1,198)	-	-	-	(1,198)
End of financial year	284,481	254,154	-	1,673	-	540,308
<u>Net book value</u>						
End of financial year	85	202,643	-	1,279	-	204,007

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

9. Other payables

	2015 \$	2014 \$
Other payables	2,831,320	239,769
Amount due to supervisory ministry	9,389	4,494
Accrued operating expenses	2,793,900	1,458,365
	<u>5,634,609</u>	<u>1,702,628</u>

10. Grants received in advance

	2015 \$	2014 \$
Beginning of financial year	8,891,278	3,672,683
Grants received during the year	22,335,732	19,298,559
Transferred to deferred capital grants (Note 12)	(278,316)	(107,005)
Transferred to income statement	(26,004,764)	(13,972,959)
End of financial year	<u>4,943,930</u>	<u>8,891,278</u>

11. Deferred donations

	2015 \$	2014 \$
Beginning of financial year	2,010,975	2,400
Additions	2,050,000	2,100,000
Transferred to income statement	-	(91,425)
End of financial year	<u>4,060,975</u>	<u>2,010,975</u>

12. Deferred capital grants

	2015 \$	2014 \$
Beginning of financial year	204,007	232,389
Transferred from Government grants (Note 10)	278,316	107,005
Amortised to income statement	(160,451)	(135,387)
End of financial year	<u>321,872</u>	<u>204,007</u>

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

13. Net assets of trust fund

The trust fund of the Company relates to the National Gallery Singapore Development Fund that is held on behalf of the Ministry of Culture, Community and Youth (MCCY) for the use in the development of the National Gallery Singapore project. The Company oversees the development of the National Gallery Singapore project until its completion and acts as an agent to MCCY to operate the funds from Singapore Totalisator Board in relation to the development of the National Gallery Singapore project.

The following details of the assets and liabilities of the trust fund have been prepared from the records of the trust fund held by the Company.

	2015 \$	2014 \$
Assets		
Cash and cash equivalents	<u>38,288,937</u>	<u>18,987,054</u>
Liabilities		
Grants received in advance	<u>38,288,937</u>	<u>18,987,054</u>
Net assets	<u>-</u>	<u>-</u>

14. Charity Act and Regulation

As required for disclosure under regulation 17 of the Charities (Institutions of Public Character) Regulations, the Company has received tax deductible donations of \$19,610,000 (2014: \$2,182,500) in the current financial year.

15. Commitments

Operating lease commitments – where the Company is a lessee

The Company leases state land, buildings, office and storage 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 follow:

	2015 \$	2014 \$
Not later than one year	4,440,000	4,941,386
Between one and five years	<u>2,590,000</u>	<u>7,030,000</u>
	<u>7,030,000</u>	<u>11,971,386</u>

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

16. Related party transactions

(i) Key management personnel compensation

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

Key management personnel compensation is as follows:

	2015 \$	2014 \$
Short-term employee benefits	2,377,673	2,020,688
Post-employment benefits	105,801	97,489
	<u>2,483,474</u>	<u>2,118,177</u>

Number of key management who each receives remuneration exceeding \$100,000 by remuneration bands, excluding 11 (2014: 10) directors who do not receive remuneration from the Company, is as follows:

	2015	2014
\$700,000 to below \$800,000	1	1
\$400,000 to below \$500,000	1	-
\$300,000 to below \$400,000	-	1
\$200,000 to below \$300,000	3	2
\$100,000 to below \$200,000	3	3
	<u>8</u>	<u>7</u>

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

17. Financial risk management

Financial risk factors

The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

(a) Market risk

(i) Currency risk

The Company's operations is 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 maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial asset presented on the statement of financial position. The Company's major classes of financial assets are cash at bank and other receivables. These classes of financial assets are neither past due nor impaired.

The Company places its cash with a reputable financial institution which is regulated. For other receivables, the Company adopts the policy of dealing with other counterparties with high credit ratings.

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

17. Financial risk management (continued)

(c) Liquidity risk

There is minimal liquidity risk as the Company maintains an adequate level of highly liquid assets in the form of cash at bank.

The table below analyses the Company's liabilities based on contractual undiscounted cash flows.

	Less than 1 year \$
At 31 March 2015	
Other payables	<u>5,634,609</u>
At 31 March 2014	
Other payables	<u>1,702,628</u>

(d) Capital risk

The Company is limited by guarantee with no share capital and is 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 and financial liabilities at amortised cost are as follows:

	2015 \$	2014 \$
Loans and receivables	32,479,588	12,629,734
Financial liabilities at amortised cost	<u>5,634,609</u>	<u>1,702,628</u>

NATIONAL GALLERY SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

18. New or revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2015. The Company does not expect that the adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on **15 JUL 2015**