

SINGAPORE HERITAGE SOCIETY

(Unique Entity Number: S87SS0042J)
(Registered under the Societies Act, Cap.311)

(Incorporated in the Republic of Singapore)

ANNUAL REPORT FOR THE YEAR ENDED
31 MARCH 2017

LOUISE NEO & COMPANY

**Public Accountants and
Chartered Accountants of Singapore**

Registration no.: T05PF0864K
1 Fifth Avenue #03-08 Guthrie House Singapore 268802
Tel: 6274 9495 Fax: 6274 9497

SINGAPORE HERITAGE SOCIETY

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STATEMENT BY THE MANAGEMENT COMMITTEE

We, the undersigned Management Committee Members, submit this annual report to the members together with the audited financial statements of **Singapore Heritage Society** for the financial year ended 31 March 2017.

Management Committee Members

Dr Chua Ai Lin	- President
Mr Khir Johari	- Vice President
Mr Siva S Krishnasamy	- Honorary Treasurer
Mr Alex Tan Tiong Hee	- Honorary Secretary
Ms Catherine Lim Suat Hong	- Committee Member
Mr Timothy Pwee Kok Ann	- Committee Member
Mr Tony Tan Say Kiong	- Committee Member
Mr Tan Wee Cheng	- Committee Member
Dr Yeo Kang Shua	- Committee Member
Mr Victor Yue Seong Swee	- Committee Member

Auditors

The auditors, Louise Neo & Company, have expressed willingness to accept the re-appointment.

Statement by Management Committee Members

The Management Committee Members of **Singapore Heritage Society**, do hereby state that in our opinion, the accompanying financial statements set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2017 and of the financial activities, statement of changes in funds and cash flows of the Society for the year ended on that date.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Committee Members have, on the date of this statement, authorised these financial statements for issue.

On behalf of Management Committee,



Chua Ai Lin
President



Siva S Krishnasamy
Honorary Treasurer



Alex Tan Tiong Hee
Honorary Secretary

Singapore,

25 AUG 2017



LOUISE NEO & COMPANY

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HERITAGE SOCIETY

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Singapore Heritage Society (the "Society"), which comprise the statement of financial position as at 31 March 2017, the statement of financial activities and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of Constitution of the Society, the Societies Act, Cap 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Society as at 31 March 2017 and the statement of financial activities, and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Management Committee Members set out on page 1.

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HERITAGE SOCIETY

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 Constitution of the Society, the Societies Act, Cap 311, Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk 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 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HERITAGE SOCIETY

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

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

We communicate with the management committee 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 regulations enacted under the Singapore Companies Act (Chapter 50) to be kept by the Society have been properly kept in accordance with those regulations.

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

- (a) the total fund-raising expenses of the Society exceed 30% of the total gross receipts from fund-raising;
- (b) the use of donation money received is not in accordance with the Society's objective.

LOUISE NEO & COMPANY
Public Accountants and
Chartered Accountants

Singapore,

25 AUG 2017

SINGAPORE HERITAGE SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	2017 \$	2016 \$
INCOMING RESOURCES			
Incoming resources from generating funds			
<u>Voluntary income</u>			
Donations and sponsorships		10,669	41,032
Members' subscriptions		13,217	13,649
Government grants		65,405	12,319
		89,291	67,000
<u>Activities from generating funds</u>			
Sale of books		1,709	4,650
Total incoming resources from generating funds		91,000	71,650
Incoming resources from charitable activities			
Project income			
Educational Programme For Yale - NUS College, NUS		-	960
Singapore Heritage Fest 2015		-	33,000
Singapore Memory Project		-	33,420
Syonan SG under the Japanese		29,500	-
The Song Ong Siang Book Project		56,000	35,000
		85,500	102,380
Tour income		29,690	53,833
Total incoming resources from charitable activities		115,190	156,213
Other incoming resources			
Interest income		221	157
Other income		5,442	1,410
Total other incoming resources		5,663	1,567
Total incoming resources		211,853	229,430
RESOURCES EXPENDED			
Cost of generating funds			
Cost of sales			
Opening inventories		20,917	21,789
Less: Closing inventories		(20,255)	(20,917)
		662	872

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

RESOURCES EXPENDED (Continued)	2017	2016
	\$	\$
Cost of charitable services		
Project cost		
Heritage Research Grant	45,113	-
Cultural Matching Fund	1,400	-
Educational Programme for Yale - NUS	-	960
The Song Ong Siang Book Project	49,000	35,000
Singapore Memory Project	-	38,545
Social Stories Workshop	270	1,620
Our Modern Past - Pico Art	333	-
Singapore Heritage Fest 2015	-	42,563
Syonan SG under the Japanese	29,529	-
The Wayfinder @ Bukit Brown	7,750	-
	<u>133,395</u>	<u>118,688</u>
Tour expenses	23,407	42,920
	<u>156,802</u>	<u>161,608</u>
Governance and administrative costs		
Accountancy fee	2,400	2,000
Audit fee	2,000	1,000
Bank charges	1,498	453
Credit card charges	57	113
Entertainment	3,136	4,856
Event - others	560	-
Interns allowance	75	625
Maintenance - webhosting	303	481
Maintenance - small tools	-	382
Postage and courier	335	40
Printing and stationery	1,423	1,502
Professional fees	3,806	-
Refreshments	204	295
Rental	-	1,135
Royalties	-	629
Secretarial fee	19,200	19,200
Storage charges	673	679
Subscription fee	535	535
Transaction fee	123	203
Transportation	206	-
	<u>36,534</u>	<u>34,128</u>

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	2017	2016
RESOURCES EXPENDED (Continued)	\$	\$
Other operating expenses		
Depreciation of plant and equipment	1,850	-
Total resources expended	<u>195,848</u>	<u>196,608</u>
Surplus for the year	<u>16,005</u>	<u>32,822</u>

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	Note	2017 \$	2016 \$
ASSETS			
Non-current Assets			
Plant and equipment	4	<u>16,650</u>	<u>-</u>
Current Assets			
Inventories	5	20,255	20,917
Trade and other receivables	6	257	61
Prepayments		3,250	3,125
Cash at bank balances	7	<u>293,154</u>	<u>360,541</u>
		<u>316,916</u>	<u>384,644</u>
TOTAL ASSETS		<u><u>333,566</u></u>	<u><u>384,644</u></u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated fund	8	<u>236,339</u>	<u>220,334</u>
Current Liabilities			
Trade and other payables	9	16,426	20,242
Deferred income	10	<u>75,732</u>	<u>136,948</u>
		<u>92,158</u>	<u>157,190</u>
Non-Current Liabilities			
Deferred income	10	5,069	7,120
TOTAL RESERVES AND LIABILITIES		<u><u>333,566</u></u>	<u><u>384,644</u></u>

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

**STATEMENT OF CHANGES IN FUND
AS AT 31 MARCH 2017**

	Accumulated Fund \$
2016	
Balance at beginning of the financial year	187,512
Surplus for the year	<u>32,822</u>
Balance at end of the financial year	<u><u>220,334</u></u>
2017	
Balance at beginning of the financial year	220,334
Surplus for the year	<u>16,005</u>
Balance at end of the financial year	<u><u>236,339</u></u>

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

		2017	2016
	Note	\$	\$
Cash flows from operating activities:			
Surplus for the year		16,005	32,822
<u>Adjustment for:</u>			
Depreciation of plant and equipment	4	1,850	-
Interest income		(221)	(157)
Operating cash flows before working capital changes		17,634	32,665
<u>Changes in working capital:</u>			
Inventories		662	872
Trade and other receivables		(196)	29,609
Prepayments		(125)	17
Trade and other payables		(3,815)	4,774
Deferred income		(63,268)	16,996
Cash (used in) / generated from operations		(49,108)	84,933
Interest received		221	157
Net cash (used in) / generated from operating activities		(48,887)	85,090
Cash flows from investing activity:			
Acquisition of plant and equipment	4	(18,500)	-
Net cash used in investing activity		(18,500)	-
Net (decrease) / increase in cash and cash equivalents		(67,387)	85,090
Cash and cash equivalents at 1 April		360,541	275,451
Cash and cash equivalents at 31 March	7	293,154	360,541

See accompanying notes to the financial statements

SINGAPORE HERITAGE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

1 General

Singapore Heritage Society (the Society) is registered under the Societies Act cap 311 with effect from 12 March 1987.

The registered address is located at 50 East Coast Road #02-73 Roxy Square Singapore 428769. The Society is domiciled in Singapore.

The principal objectives of the Society consist of the promotion of active interest in the cultural life and history of Singapore and initiating action on research, evaluation, documentation, publication, collection and display, preservation and restoration of skills and items of historical interest.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore dollar (\$).

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any material effect on the financial statements.

2.3 Standard issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. The Society does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendment to FRS 7: Disclosure Initiative	1 January 2017
Amendment to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018

Except for FRS 115 and FRS 109, the Society expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.3 Standard issues but no yet effective (Continued)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognized at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The new standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Company to make changes to its current systems and processes.

The Company currently measures one of its investments in unquoted equity securities at cost. Under FRS 109, the Company will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognized in the opening retained earnings when the Company applies FRS 109.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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>
Films	10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjust prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade receivables, other receivables, prepayment and cash at bank balances.

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.8 Impairment of financial assets

The Society assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Society first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.9 Cash at bank balances

Cash at bank balances are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Society's cash management.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value on the basis of first-in, first-out. Cost comprises of cost of purchase and related expenses that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.12 Provisions

General

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a member of the key management personnel of the Society or of a parent of the Society.
- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2 Summary of significant accounting policies (Continued)

2.14 Income recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured.

(i) Government grant

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. They are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis.

(ii) Members' subscription

Members' subscriptions are recognised as revenue as and when subscriptions become due and payable.

(iii) Sale of books

Revenue from sale of books is recognised when the Society has delivered the books to the customer and the customer has accepted the books.

(iv) Donations

Revenue from donations is recognised when Society received the funds from the public.

2.15 Income tax

As a Society, it is exempt from tax on income and gains falling within section 11(1) of the Income Tax Act to the extent that more than half of its gross income is received from voting members. No tax charges have arisen in the Society.

2.16 Accumulated fund

The accumulated fund represents the amounts accumulated from the transfer of the net surplus/deficit of each financial year.

3 Significant accounting judgments and estimates

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments made in applying accounting policies

The management committee is of the opinion that there are no significant judgments made in applying accounting estimated and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

3 Significant accounting judgments and estimates (Continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

a) Useful lives of plant and equipments

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipments as at 31 March 2017 was \$16,650 (2016: Nil) (Note 4).

b) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Society's inventories as at 31 March 2017 was \$20,255 (2016: \$20,917) (Note 5).

c) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Society's trade and other receivables as at 31 March 2017 was \$257 (2016: \$61) (Note 14).

4 Plant and equipment

	Films \$
2017	
<u>Cost</u>	
At 01.04.2016	-
Additions	18,500
At 31.03.2017	<u>18,500</u>
 <u>Accumulated depreciation</u>	
At 01.04.2016	-
Additions	1,850
At 31.03.2017	<u>1,850</u>
 Carrying amount	 <u><u>16,650</u></u>

SINGAPORE HERITAGE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5 Inventories

	2017	2016
	\$	\$
Statement of financial position		
Inventories	<u>20,255</u>	<u>20,917</u>
Statement of financial activities		
Inventories recognised as an expense in cost of sales	<u>662</u>	<u>872</u>

6 Trade and other receivables

	2017	2016
	\$	\$
Trade receivables:		
- Third parties	2,580	2,580
Less: Allowance for impairment	<u>(2,580)</u>	<u>(2,580)</u>
	-	-
Other receivables:		
- Unbilled revenue	257	61
	<u>257</u>	<u>61</u>
Total trade and other receivables	<u>257</u>	<u>61</u>

Trade receivables are non-interest bearing and are generally on 30 days term. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Trade and other receivables are denominated in Singapore dollars.

Trade receivables that are past due but not impaired

The Society has trade receivables amounting to Nil (2016: \$Nil) that are past due at the end of the reporting period but not impaired due to client credit worthiness. The table below is an analysis of the trade receivables as at 31 March:

	2017	2016
	\$	\$
Impaired receivables-		
Collectively assessed	<u>2,580</u>	<u>2,580</u>
Less: Allowance for impairment	<u>(2,580)</u>	<u>(2,580)</u>
Trade receivables, net	<u>-</u>	<u>-</u>

SINGAPORE HERITAGE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7 Cash and bank balances

	2017	2016
	\$	\$
Cash at bank balances	<u>293,154</u>	<u>360,541</u>

8 Accumulated fund

	2017	2016
	\$	\$
Balance at beginning of year	220,334	187,512
Surplus for the year	<u>16,005</u>	<u>32,822</u>
Balance at end of year	<u>236,339</u>	<u>220,334</u>

9 Trade and other payables

	2017	2016
	\$	\$
Trade payables:		
- Third parties	10,000	10,000
Other payables:		
- Accrued operating expenses	6,426	10,242
Total trade and other payables	<u>16,426</u>	<u>20,242</u>

Trade payables are non-interest bearing and are generally on 30 days term. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

10 Deferred income

	2017	2016
	\$	\$
Government grants	66,172	123,827
Memberships' subscriptions	14,629	16,991
Others	-	3,250
	<u>80,801</u>	<u>144,068</u>
Non-current	5,069	7,120
Current	<u>75,732</u>	<u>136,948</u>
	<u>80,801</u>	<u>144,068</u>

Government grants refer to funding received under the Urban Redevelopment Authority and National Art Council's Cultural Matching Fund for the Society's publications and research activities. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017
10 Deferred income (Continued)

Government grants are recognised as income in proportion to the cost incurred for the project in the respective financial years. Details and movements in the deferred income - government grants are as follows:-

	2017	2016
	\$	\$
Total grant received	181,791	174,041
Cumulative amount recognised in income	(115,619)	(50,214)
Deferred balance at 31 March	<u>66,172</u>	<u>123,827</u>
Balance at 1 April	123,827	58,072
Grant received during the year	7,750	78,074
Recognised as income during the year	(65,405)	(12,319)
Balance at 31 March	<u>66,172</u>	<u>123,827</u>

11 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the related parties took place at terms agreed between the parties during the financial year:

	2017	2016
	\$	\$
Donation from a committee member	2,000	1,800
Donation from a related party where a committee member held directorship	300	-
Tour expenses paid to a committee member	960	-
Project cost paid to president	<u>-</u>	<u>6,960</u>

12 Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the management on an informal basis.

(i) Credit risk

The Society has no significant concentrations of credit risk. The Society places its cash with creditworthy financial institutions. The carrying amounts of cash and cash equivalents represent the Society's maximum exposure to credit risk.

(ii) Liquidity risk

Liquidity risk reflects the risk that the Society will have insufficient resources to meet its financial liabilities as and when they fall due.

The Society manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Society's activities. It places its cash with creditworthy institutions.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

12 Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:-

	2017 \$	2016 \$
Payable within one year		
<u>Financial assets</u>		
Trade and other receivables	257	61
Cash at bank balances	293,154	360,541
Total undiscounted financial assets	<u>293,411</u>	<u>360,602</u>
<u>Financial liabilities</u>		
Trade and other payables	16,426	20,242
Total undiscounted financial liability	<u>16,426</u>	<u>20,242</u>
Total undiscounted financial assets	<u>276,985</u>	<u>340,360</u>

(iii) Interest rate risk

Changes in interest rates do not have a material impact on the Society as it does not have any interest-bearing liabilities.

13 Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash at bank balances, other receivables, other current assets and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017
14 Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables, available-for-sale financial assets and financial liabilities at amortised cost were as follows:

	2017	2016
	\$	\$
Loan and receivables		
Trade and other receivables (Note 6)	257	61
Cash and cash equivalents (Note 7)	293,154	360,541
Total loan and receivables	<u>293,411</u>	<u>360,602</u>
Financial liabilities measured at amortised cost		
Trade and other payables (Note 9)	16,426	20,242
Total financial liabilities measured at amortised cost	<u>16,426</u>	<u>20,242</u>

15 Capital management

The Society's objective when managing its accumulated fund is to safeguard the Society's ability to continue as a going concern, so that it can continue to provide services for the benefit of its members and other stakeholders.

The Society monitors its accumulated fund on a prudent basis and it does not utilise any external debt from financial institutions. The capital structure of the Society consists of cash and cash equivalents and accumulated fund.

There was no change in the Society's approach to capital management during the year.

	2017	2016
	\$	\$
Cash at bank balances	<u>293,154</u>	<u>360,541</u>
Accumulated fund	<u>236,339</u>	<u>220,334</u>

16 Authorisation of financial statements for issue

The financial statements of the Society for the financial year ended 31 March 2017 were authorised for issue on the date stated on the Statement by Management Committee Members.