

**Singapore Heritage Society**  
Unique Entity No. S87SS0042J  
(Registered in the Republic of Singapore)

**Annual Report**  
**31 March 2018**

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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 2018.

#### Management Committee Members

Dr Jack Tsen-Ta Lee	President
Dr Chua Ai Lin	Vice President
Mr Victor Yue Seong Swee	Honorary Treasurer
Mr Han Ming Guang	Honorary Secretary
Ms Catherine Lim Suat Hong	Committee Member
Ms Mizah Rahman	Committee Member
Mr Siva S Krishnasamy	Committee Member
Mr Timothy Pwee Kok Ann	Committee Member
Mr Tony Tan Say Kiong	Committee Member
Mr Tan Wee Cheng	Committee Member

#### Auditors

The auditors, Hoon Tai Meng & Co., have expressed their willingness to accept re-appointment.

#### Statement by Management Committee Members

The Management Committee Members of **Singapore Heritage Society** (the "Society"), do hereby state that in our opinion, the accompanying financial statements set out on pages 5 to 25 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2018 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 authorised these financial statements for issue on 24 August 2018.

On behalf of the Management Committee,



Jack Tsen-Ta Lee  
President



Victor Yue  
Honorary Treasurer



Han Ming Guang  
Honorary Secretary

Singapore,

**24 AUG 2018**



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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 2018, the Statement of Financial Activities, Statement of Changes in Accumulated Fund 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 accompanying financial statements are properly drawn up in accordance with the provisions of the Constitution of the Society, the Societies Act, Cap 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 March 2018 and of the financial performance, changes in accumulated fund 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 Society 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 set out on page 1.

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

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

*Responsibilities of Management and Directors for the Financial Statements*

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

*Lee*



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**Independent Auditor's Report (continued)**

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**To the members of  
Singapore Heritage Society****Report on the Financial Statements***Responsibilities of Management and Directors for the Financial Statements (continued)*

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Society'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 judgement 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 resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 Society to cease to continue as a going concern.

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# HOON TAI MENG & CO.

Public Accountants and Chartered Accountants

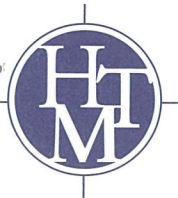
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PUBLIC & CHARTERED  
ACCOUNTANTS



## Independent Auditor's Report (continued)

**To the members of  
Singapore Heritage Society**

### Report on the Financial Statements

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

- Evaluate the overall presentation, structure and content of 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 to be kept by the Society have been properly kept in accordance with the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

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

### Other Matters

The financial statements for the financial year ended 31 March 2017 were audited by another firm of Public Accountants and Chartered Accountants. The auditors had expressed an unqualified opinion on those financial statements in their auditor's report dated 25 August 2017.

Hoon Tai Meng & Co.

Public Accountants and Chartered Accountants

Singapore,

24 August 2018

**Statement of Financial Position**  
**As at 31 March 2018**

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	6	<u>14,800</u>	<u>16,650</u>
<b>Current assets</b>			
Inventories	7	20,086	20,255
Trade and other receivables	8	2,277	257
Prepayments		-	3,250
Cash and bank balances	9	<u>293,001</u>	<u>293,154</u>
		<u>315,364</u>	<u>316,916</u>
<b>Total assets</b>		<u><u>330,164</u></u>	<u><u>333,566</u></u>
<b>Reserves and liabilities</b>			
<b>Reserves</b>			
Accumulated fund	10	<u>239,325</u>	<u>236,339</u>
<b>Current liabilities</b>			
Trade and other payables	11	4,817	16,426
Deferred income	12	<u>80,257</u>	<u>75,732</u>
		<u>85,074</u>	<u>92,158</u>
<b>Non-current liability</b>			
Deferred income	12	5,765	5,069
<b>Total reserves and liabilities</b>		<u><u>330,164</u></u>	<u><u>333,566</u></u>

The accompanying notes form an integral part of the audited financial statements.

**Statement of Financial Activities  
For the year ended 31 March 2018**

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
<b>Income</b>			
Donations	3(i)	23,059	10,669
Government grants		55,808	65,405
Members' subscriptions		12,916	13,217
Profit from sale of books	3(ii)	257	1,047
Income from projects/charitable activities	3(iii)	36,633	115,190
Other income	3(iv)	14,203	5,442
Interest income		179	221
		<u>143,055</u>	<u>211,191</u>
<b>Expenditure</b>			
Project and charitable activities cost	4	95,676	155,402
Governance and administrative cost	5	42,543	37,934
Depreciation		1,850	1,850
		<u>140,069</u>	<u>195,186</u>
<b>Surplus for the year</b>		<u><u>2,986</u></u>	<u><u>16,005</u></u>

The accompanying notes form an integral part of the audited financial statements.

**Statement of Changes in Accumulated Fund**  
**For the year ended 31 March 2018**

	<u>2018</u>	<u>2017</u>
		S\$
<b>Accumulated Fund</b>		
Balance at beginning of financial year	236,339	220,334
Surplus for the year	<u>2,986</u>	<u>16,005</u>
Balance at end of financial year	<u><u>239,325</u></u>	<u><u>236,339</u></u>

The accompanying notes form an integral part of the audited financial statements.



**Statement of Cash Flows**  
**For the year ended 31 March 2018**

	<u>2018</u> S\$	<u>2017</u> S\$
<b>Cash flows from operating activities</b>		
Surplus for the year	2,986	16,005
Adjustments for:		
Bad debts written off	3,000	-
Depreciation of plant and equipment	1,850	1,850
Other income – write back of payables	(10,000)	-
Other income – overprovision of prior year accruals	(2,452)	-
Interest income	(179)	(221)
Operating cash flows before changes in working capital	(4,795)	17,634
Decrease in inventories	169	662
Increase in trade and other receivables	(2,020)	(196)
Decrease/(increase) in prepayments	250	(125)
Increase/(decrease) in trade and other payables	843	(3,815)
Increase/(decrease) in deferred income	5,221	(63,268)
Cash used in operations	(332)	(49,108)
Interest received	179	221
<b>Net cash used in operating activities</b>	(153)	(48,887)
<b>Cash flows from investing activity</b>		
Acquisition of plant and equipment	-	(18,500)
<b>Net cash used in investing activity</b>	-	(18,500)
Net decrease in cash and cash equivalents	(153)	(67,387)
Cash and cash equivalents at beginning of year	293,154	360,541
Cash and cash equivalents at end of year (note 9)	<u>293,001</u>	<u>293,154</u>

The accompanying notes form an integral part of the audited financial statements.

## Notes to the Financial Statements – 31 March 2018

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

### 1. General information

Singapore Heritage Society (the “Society”) was registered under the Societies Act, Chapter 311 with effect from 12 March 1987. The Society is also a charity registered under the Charities Act, Chapter 37 and approved Institutions of a Public Character under the Income Tax Act, Chapter 134.

The registered address of the Society 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 are to promote active interest in the cultural life and history of Singapore and to initiate action on research, evaluation, documentation, publication, collection and display, preservation and restoration of skills and items of historical interest.

### 2. 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”) under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$) which is the Society’s functional currency.

#### 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 2017. The adoption of these standards did not have material effect on the financial statements.

#### 2.3 Standards issued but not yet effective

The Society has not adopted the following standards and interpretations which have been issued but are not yet effective:

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
FRS 116 Leases	1 January 2019

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 – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.3 Standards issued but not yet effective (continued)

##### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to all revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled to 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 the performance obligations are satisfied.

Key issues for the Society 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 18. 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 Society to make changes to its current systems and processes.

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 Society is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

#### 2.4 Significant accounting judgments and estimates

The preparation of the Society's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, 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 estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Notes to the Financial Statements – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.4 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 each 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 equipment

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 Society's plant and equipment as at 31 March 2018 was S\$14,800 (2017: S\$16,650).

##### (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 2018 was S\$20,086 (2017: S\$20,255).

##### (c) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and the 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 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 2018 was S\$2,277 (2017: S\$257).

#### 2.5 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 exchange rate ruling at the reporting date.

## Notes to the Financial Statements – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.5 Foreign currency transactions and balances (continued)

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.

#### 2.6 Plant and equipment

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

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Society. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Subsequent costs are recognised as an asset only when it is probable that the future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss when they are incurred.

Depreciation is calculated using the straight-line method to allocate the 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 and adjusted prospectively, if appropriate, at the end of each reporting period.

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 arising on derecognition of the asset is included in profit or loss as incurred.

#### 2.7 Impairment of non-financial assets

The Society assesses at the end of each reporting date whether there is any indication that an asset may be impaired. If any such 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.

## Notes to the Financial Statements – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.7 Impairment of non-financial assets (continued)

When 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.

#### 2.8 Financial assets

##### (i) Classification

The Society classifies its financial assets according to the purpose for which the assets were acquired. The Society determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Society's only type of financial assets are loans and receivables.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables excluding prepayments are presented as "trade and other receivables" and "cash and bank balances" on the statement of financial position.

##### (ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

##### (iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.



## Notes to the Financial Statements – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.8 Financial assets (continued)

##### (iv) Subsequent measurement

###### Loans and receivables

Loans and receivables are carried at amortised cost using the effective interest method. Interest income on financial assets is recognised separately in profit or loss.

##### (v) Impairment

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

###### Loans and receivables

Significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognised in profit or loss. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

#### 2.9 Cash and bank balances

Cash and 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 Financial liabilities

Financial liabilities of the Society comprise trade and other payables. Financial liabilities are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

#### 2.11 Inventories

Inventories are stated at the lower of cost and net realisable value on the first-in, first-out basis. Cost comprises 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 marketing, selling and distribution costs.

## Notes to the Financial Statements – 31 March 2018

### 2. Significant accounting policies (continued)

#### 2.12 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 instalments.

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.

#### 2.13 Provisions

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.

#### 2.14 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.

Notes to the Financial Statements – 31 March 2018

2. Significant accounting policies (continued)

2.14 Related parties (continued)

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

2.15 Revenue recognition

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

(i) Government grants

Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When 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 the statement of financial activities over the years necessary to match the depreciation of the assets to which the grant relates.

When the grant relates to an expenditure item, it is recognised as income in the statement of financial activities 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 in the statement of financial activities when they are received.

2.16 Income tax

As a charity, the Society is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to charitable objects. No tax charges have arisen for the Society during the reporting year.

2.17 Accumulated fund

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

**Notes to the Financial Statements – 31 March 2018**

3. Income

(i) Donations

	<u>2018</u> S\$	<u>2017</u> S\$
Tax-deductible donations	21,892	9,434
Non-tax deductible donations	1,167	1,235
	<u>23,059</u>	<u>10,669</u>

(ii) Profit from sale of books

	<u>2018</u> S\$	<u>2017</u> S\$
Sale of books	426	1,709
Less: Cost of goods sold		
Opening inventories	20,255	20,917
Closing inventories	(20,086)	(20,255)
	169	662
Profit from sale of books	<u>257</u>	<u>1,047</u>

(iii) Income from projects/charitable activities

	<u>2018</u> S\$	<u>2017</u> S\$
Project income:		
Our Modern Past	90	-
Syonan SG under the Japanese	33,973	29,500
The Song Ong Siang Book Project	-	56,000
	34,063	85,500
Tour income	2,570	29,690
	<u>36,633</u>	<u>115,190</u>

Notes to the Financial Statements – 31 March 2018

3. Income (continued)

(iv) Other income

	<u>2018</u> S\$	<u>2017</u> S\$
Anniversary dinner	1,750	-
Mosaic Memories dinner	-	3,360
Waiver of trade payable	10,000	-
Overprovision of accruals written back	2,451	-
Royalty income	-	832
Miscellaneous income	2	1,250
	<u>14,203</u>	<u>5,442</u>

4. Project and charitable activities cost

	<u>2018</u> S\$	<u>2017</u> S\$
Project cost		
Heritage Research Grant	27,068	45,113
The Song Ong Siang Book Project	-	49,000
Social Stories Workshop	-	270
Our Modern Past	220	333
Syonan SG under the Japanese	31,030	29,529
The Wayfinder @ Bukit Brown	22,250	7,750
World War II @ BB Book	13,148	-
	93,716	131,995
Tour expenses	1,960	23,407
	<u>95,676</u>	<u>155,402</u>

5. Governance and administrative cost

	<u>2018</u> S\$	<u>2017</u> S\$
Bad debts written off	3,000	-
Entertainment	-	3,136
Interns allowance	150	75
Professional fees	4,962	3,806
Salaries	-	1,400
Secretarial fee	19,200	19,200
Service fee	4,500	-
Others	10,731	10,317
	<u>42,543</u>	<u>37,934</u>

## Notes to the Financial Statements – 31 March 2018

### 6. Plant and equipment

	<u>Films</u> S\$
Cost	
At 01 April 2016	-
Additions	18,500
At 31 March 2017 and 31 March 2018	<u>18,500</u>
Accumulated depreciation	
At 01 April 2016	-
Charge for the year	1,850
At 31 March 2017	1,850
Charge for the year	1,850
At 31 March 2018	<u>3,700</u>
Net book value	
At 31 March 2017	<u>16,650</u>
At 31 March 2018	<u>14,800</u>

### 7. Inventories

	<u>2018</u> S\$	<u>2017</u> S\$
Statement of Financial Position		
Inventories	<u>20,086</u>	<u>20,255</u>
Statement of Financial Activities		
Inventories recognised as an expense in cost of sales	<u>169</u>	<u>662</u>

### 8. Trade and other receivables

	<u>2018</u> S\$	<u>2017</u> S\$
Trade receivables:		
Due from third parties	3,295	2,580
Less: Allowance for doubtful debts	<u>(2,580)</u>	<u>(2,580)</u>
	<u>715</u>	<u>-</u>



**Notes to the Financial Statements – 31 March 2018**

8. Trade and other receivables (continued)

	<u>2018</u> S\$	<u>2017</u> S\$
Other receivables:		
Donation receivable	1,500	-
Unbilled revenue	62	257
	<u>1,562</u>	<u>257</u>
 Total trade and other receivables	 <u>2,277</u>	 <u>257</u>

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

The movement in the allowance for doubtful debts is as follows:

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning of year	2,580	2,580
Charged to statement of financial activities	-	-
Balance at end of year	<u>2,580</u>	<u>2,580</u>

9. Cash and bank balances

	<u>2018</u> S\$	<u>2017</u> S\$
Cash on hand	1,576	-
Cash at banks	291,425	293,154
	<u>293,001</u>	<u>293,154</u>

10. Accumulated fund

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning of year	236,339	220,334
Surplus for the year	2,986	16,005
Balance at end of year	<u>239,325</u>	<u>236,339</u>

**Notes to the Financial Statements – 31 March 2018**

11. Trade and other payables

	<u>2018</u> S\$	<u>2017</u> S\$
Trade payables:		
Due to third parties	-	10,000
Accruals	4,817	6,426
Total trade and other payables	<u>4,817</u>	<u>16,426</u>

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

12. Deferred income

	<u>2018</u> S\$	<u>2017</u> S\$
Government grants	71,514	66,172
Membership subscriptions	14,508	14,629
	<u>86,022</u>	<u>80,801</u>
Non-current	5,765	5,069
Current	80,257	75,732
	<u>86,022</u>	<u>80,801</u>

Government grants refer to funding received under Urban Redevelopment Authority, National Heritage Board 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.

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:

	<u>2018</u> S\$	<u>2017</u> S\$
Total grant received	242,941	181,791
Cumulative amount recognised in income	(171,427)	(115,619)
Balance at end of year	<u>71,514</u>	<u>66,172</u>

**Notes to the Financial Statements – 31 March 2018**

12. Deferred income (continued)

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning of year	66,172	123,827
Grant received during the year	61,150	7,750
Recognised as income during the year	(55,808)	(65,405)
Balance at end of year	<u>71,514</u>	<u>66,172</u>

13. 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:

	<u>2018</u> S\$	<u>2017</u> S\$
Donation from committee members	840	2,000
Donation from a related party where a committee member held directorship	-	300
Tour expenses paid to a committee member	-	960
Service fee paid to the Vice President	<u>4,500</u>	<u>-</u>

14. 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.

- (a) 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.

- (b) 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 financial institutions.

**Notes to the Financial Statements – 31 March 2018**

14. Financial risk management (continued)

(b) 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: –

	<u>2018</u> S\$	<u>2017</u> S\$
Within 1 year		
<u>Financial assets</u>		
Trade and other receivables	2,277	257
Cash and bank balances	293,001	293,154
	<u>295,278</u>	<u>293,411</u>
Within 1 year		
<u>Financial liabilities</u>		
Trade and other payables	4,817	16,426
Total undiscounted financial assets	<u>290,461</u>	<u>276,985</u>

(c) 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.

15. 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 banks, 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 – 31 March 2018

### 16. Financial instruments by category

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

	<u>2018</u> S\$	<u>2017</u> S\$
Loans and receivables		
Trade and other receivables	2,277	257
Cash and bank balances	293,001	293,154
	<u>295,278</u>	<u>293,411</u>
Financial liabilities measured at amortised cost		
Trade and other payables	<u>4,817</u>	<u>16,426</u>

### 17. Conflict of interest policy

All Management Committee members and ordinary members of the Society are required to make full disclosure of any interests, relationships and holdings that could potentially result in a conflict of interest. When a conflict of interest situation arises, the member shall abstain from participating in the discussion, decision-making and voting on the matter.

### 18. Capital management

The Society's reserves are represented by the accumulated fund. The Society does not maintain any restricted fund as its committed operating expenditures can be supported by members' subscriptions and non-project income sources. Projects are only undertaken if they are self-sustaining or dedicated external funding sources have been secured.

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 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.

**Notes to the Financial Statements – 31 March 2018**

18. Capital management (continued)

	<u>2018</u> S\$	<u>2017</u> S\$
Cash and bank balances	<u>293,001</u>	<u>293,154</u>
Accumulated fund	<u>239,325</u>	<u>236,339</u>

As of 31 March 2018, the ratio of reserves to recurring operating expenses and ratio of reserves to total expenses including project costs are 5.4 times (2017: 6.2 times) and 1.7 times (2017: 1.2 times) respectively. The Society's ratio of cash and bank balances to committed recurring operating expenses is 6.6 times (2017: 7.6 times).

19. Comparative figures

Comparative figures for the financial year ended 31 March 2017 were audited by another firm of Public Accountants and Chartered Accountants. The auditors had issued an unqualified opinion in the auditor's report dated 25 August 2017.

The following prior year balances have been reclassified for presentation purposes:

	<u>2017</u> S\$
Cultural Matching Fund cost as previously stated	1,400
Reclassified to salaries expense	<u>(1,400)</u>
Cultural Matching Fund cost as restated	<u>-</u>
Salaries expense as previously stated	-
Reclassified from Cultural Matching Fund cost	<u>1,400</u>
Salaries expense as restated	<u>1,400</u>

20. Authorisation of financial statements for issue

The financial statements of the Society for the financial year ended 31 March 2018 were authorised for issue by the Management Committee on 24 August 2018.