

**SINGAPORE HERITAGE SOCIETY**  
(Registered under the Societies Act [Cap. 311])

(Registration Number: 0353/1986)

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

# **SINGAPORE HERITAGE SOCIETY**

(Registered under the Societies Act [Cap. 311])  
(Registration Number: 0353/1986)

## **FINANCIAL STATEMENTS**

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# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE HERITAGE SOCIETY**

(Registered under the Societies Act [Cap. 311])  
(Registration Number: 0353/1986)

We have audited the accompanying financial statements of Singapore Heritage Society, which comprise the statement of financial position as at 31 March 2010, and the statements of comprehensive income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## *Management Committee's Responsibility for the Financial Statements*

The Society's management committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

## *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive committee, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Charities Act and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of Singapore Heritage Society as at 31 March 2010 and of the results and cash flows of the Society for the year ended on that date.



**J B CHUA & CO  
PUBLIC ACCOUNTANTS AND  
CERTIFIED PUBLIC ACCOUNTANTS  
SINGAPORE**

Singapore, 25 June 2010

# SINGAPORE HERITAGE SOCIETY

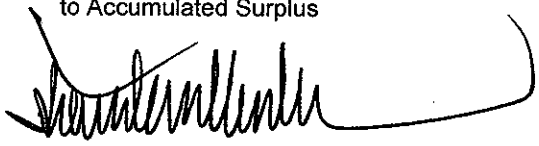
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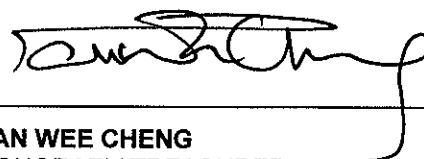
## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2010

	Note	2010 S\$	2009 S\$
<b>INCOME:</b>			
Members' subscription		6,330	6,510
Sale of books		21,929	5,818
Donations and sponsorships		16,554	-
Interest income		32	168
Government grant - Our Modern Past book project	6	4,252	11,568
Other income		27,092	21,799
		<u>76,189</u>	<u>45,863</u>
<b>Less: Cost of sales</b>			
Our Modern Past book project		(8,504)	(23,136)
Opening inventories		7,393	7,984
Projects :-			
Gedung Kuning - Memories of a Malay Childhood		5,727	-
Letters and Books of Sir Thomas Raffles & Lady Raffles		810	-
700 year of Singapore		8,025	-
Less: Closing inventories		(14,733)	(7,393)
		<u>(7,222)</u>	<u>(591)</u>
<b>Gross income</b>		<b>60,463</b>	<b>22,136</b>
<b>Less: EXPENDITURE</b>			
Accountancy fee		2,000	2,000
Audit fee		1,000	1,000
Bank charges		54	42
Consultancy fee		3,000	-
Event		658	-
Magazine subscription		3,328	2,423
Maintenance - webhosting		30	730
Postage and courier		780	638
Printing and stationery		189	637
Pro-Musica Concert		9,564	-
Refreshments and meals		370	-
Secretarial fee		7,500	7,200
Storage charges		913	1,511
Sundry expenses		1,420	145
Tour expenses		8,750	21,068
		<u>(39,556)</u>	<u>(37,394)</u>
<b>Surplus/(deficit) for the year</b>		<b>20,907</b>	<b>(15,258)</b>
Other comprehensive income		-	-
Total comprehensive income for the year transferred to Accumulated Surplus	3	<u>20,907</u>	<u>(15,258)</u>



DR KEVIN TAN  
PRESIDENT



TAN WEE CHENG  
HONORARY TREASURER

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

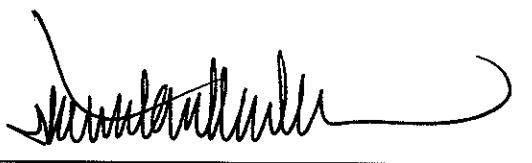
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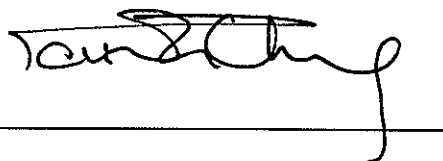
## STATEMENT OF FINANCIAL POSITION

as at 31 March 2010

	Notes	2010 S\$	2009 S\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	4	14,733	7,393
Trade and other receivables	5	18,246	720
Bank balances		<u>20,600</u>	<u>30,921</u>
		<u>53,579</u>	<u>39,034</u>
<b>Total Assets</b>		<u>53,579</u>	<u>39,034</u>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated surplus	3	<u>27,590</u>	<u>6,683</u>
<b>Current Liabilities</b>			
Other payables	6	<u>25,989</u>	<u>32,351</u>
<b>Total Reserves and Liabilities</b>		<u>53,579</u>	<u>39,034</u>



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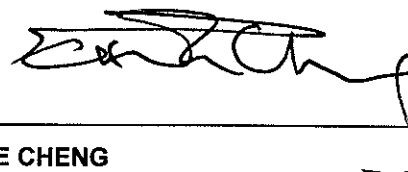
## STATEMENT OF CASH FLOWS

for the year ended 31 March 2010

	2010 S\$	2009 S\$
<b>Cash Flows From Operating Activities</b>		
Surplus/(deficit) for the year	20,907	(15,258)
Adjustment for:-		
Interest income	(32)	(168)
Operating cash flows before working capital changes	20,875	(15,426)
(Increase)/decrease in inventories	(7,340)	591
Increase in trade and other receivables	(17,526)	(608)
(Decrease)/increase in other payables	(6,362)	7,412
Cash used in operating activities	(10,353)	(8,031)
Interest received	32	168
Net cash used in operating activities	(10,321)	(7,863)
<b>Cash Flows From Investing Activities</b>	-	-
<b>Cash Flows From Financing Activities</b>	-	-
Net decrease in cash and cash equivalents	(10,321)	(7,863)
Cash and cash equivalents at beginning of financial year	30,921	38,784
Cash and cash equivalents at end of financial year	20,600	30,921
Cash and cash equivalents are represented by :		
Bank balances	20,600	30,921



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# SINGAPORE HERITAGE SOCIETY

(Registered under the Societies Act [Cap. 311])

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

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

### 1. GENERAL

Singapore Heritage Society is a society registered under the Societies Act Cap. 311, Singapore. Its registered address is located at 179 River Valley Road #05-06 Singapore 179033.

The financial statements of Singapore Heritage Society for the year ended 31 March 2010 were authorised for issue in accordance with a resolution of the executive committee on 25 June 2010.

The principal objects 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.

A statement of changes in members' funds is not presented here in accordance with Singapore Financial Reporting Standards FRS 1 as the members have no rights to the Society's funds.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Accounting

The Society's financial statements, measured and presented in Singapore dollars, have been prepared in accordance with the provisions of Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS").

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

#### (b) Changes in Accounting Policies

On 1 April 2009, the Society has adopted all the new or revised FRS and INT FRS which are effective for the financial period beginning on or after 1 January 2009. Changes to the Society's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS or INT FRS. The adoption of these new/revised FRS and INT FRS does not result in changes to the Society's accounting policies and has no material effect on the amounts reported for the current or prior years.

The following are the new or revised FRS that are relevant to the Society :-

#### *Amendments to FRS 1, Presentation of Financial Statements (effective 1 January 2009)*

The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Society has chosen to adopt the former alternative. Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. There is no restatement of the statement of financial position as at 1 April 2008 in the current financial year. The revisions also include changes in the titles of some of the financial statements' primary statements. The adoption of FRS 1 (revised 2008) did not have any material impact on the financial position or results.

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010 – Continued

### 2. SIGNIFICANT ACCOUNTING POLICIES – Continued

#### (b) Changes in Accounting Policies – Continued

*Amendments to FRS 107, Financial Instruments: Disclosures (effective 1 January 2009)*

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. For each class of financial instruments measured using fair value measurements, FRS 107 requires the disclosure of fair value measurements using a three level measurement hierarchy. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements as well as significant transfers between levels in the fair value hierarchy is required. The fair value measurement disclosures are presented in Note 8 to the financial statements. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 7(b) to the financial statements.

#### (c) Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made. These are made based on historical experience and other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

*Critical judgements in applying the Society's accounting policies*

In the process of applying the Society's accounting policies, management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements (apart from those involving estimates).

*Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Impairment review of loans and receivables

The Society assesses at the end of each financial year whether there is any objective evidence that a financial asset is impaired and considers factors such as the financial health and credibility of the debtor and the past collection history of each debtor. These involve significant judgement. If any objective evidence exists to suggest that the receivables may be impaired, the Society estimates and records the impairment loss accordingly.

#### (d) Financial Assets

Financial assets are recognised on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instrument. The Society's financial assets are classified according to the categories as specified in FRS 39.



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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010 – Continued

### 2. SIGNIFICANT ACCOUNTING POLICIES – Continued

#### (d) Financial Assets – Continued

The Society has only financial assets under the category of loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure account when the loans and receivables are derecognised or impaired, as well as through the amortisation process. A loan and receivable is derecognised when the contractual rights to receive cash flows from the assets have been expired which usually coincides with receipt of payments for the asset.

##### *Trade and other receivables*

Trade and other receivables are classified and accounted for as loans and receivables. These are recognised at their original invoice amounts which represents their fair values and subsequently measured at amortised cost. Receivables of short duration are not discounted.

An allowance is made for estimated irrecoverable amounts when there is objective evidence that the Society will not be able to recover the debt. Bad debts are written off when identified.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### (e) Impairment

At the end of each financial year, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### (f) Inventories

Inventories, consisting of books and publications, are valued at the lower of cost and net realisable value. Cost is determined on first-in-first-out basis. Cost comprises cost of purchase and other direct cost incurred in bringing the inventories to its current location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for costs of realisation. Provision is made where necessary, for obsolete, slow-moving and defective inventories.

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010 – Continued

### 2. SIGNIFICANT ACCOUNTING POLICIES – Continued

#### (g) Trade and Other Payables

Trade and other payables are recognised on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instrument.

These are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. A financial liability is derecognised when the obligations under the liability is extinguished. Liabilities of short duration are not discounted.

#### (h) Revenue Recognition

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

Interest from bank accounts and donations are accounted for on receipt basis.

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

Government 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.

#### (i) Taxation

No provision for taxation has been made as the Society has been registered as a Charity under the Charities Act (Cap. 37).

### 3. ACCUMULATED SURPLUS

	2010 S\$	2009 S\$
Balance at beginning	6,683	21,941
Total comprehensive income for the year	20,907	( 15,258)
Balance at end	<u>27,590</u>	<u>6,683</u>

### 4. INVENTORIES

	2010 S\$	2009 S\$
Merchandise for resale	<u>14,733</u>	<u>7,393</u>

## SINGAPORE HERITAGE SOCIETY

(Registered under the Societies Act [Cap. 311])

(Registration Number: 0353/1986)

### NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010 – Continued

#### 5. TRADE AND OTHER RECEIVABLES

	2010 S\$	2009 S\$
Trade receivables	12,246	720
Sundry receivable	6,000	-
	<u>18,246</u>	<u>720</u>

Trade receivables are non-interest bearing and are generally on 30 days' terms.

#### 6. OTHER PAYABLES

	2010 S\$	2009 S\$
Deferred income – government grant	22,784	27,036
Other payables	205	315
Accruals	3,000	5,000
	<u>25,989</u>	<u>32,351</u>

Deferred income refers to unrecognised government grant in relation to the publication cost of "Our Modern Past – Singapore Architectural Heritage 1920s to 1970s Vol. 1 & 2" under AUDE Promotion Programme of URA. The grant is 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 grant are as follows :-

	2010 S\$	2009 S\$
Total grant received	48,737	48,737
Cumulative amount recognised in income	( 25,953)	( 21,701)
Deferred balance at 31 March	<u>22,784</u>	<u>27,036</u>
Balance at 1 April	27,036	20,328
Grant received during the year	-	18,276
Recognised as income during the year	( 4,252)	( 11,568)
Balance at 31 March	<u>22,784</u>	<u>27,036</u>

#### 7. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND POLICIES

##### (a) Categories of Financial Instruments

The following table sets out the financial instruments as at the end of the financial year :-

	2010 S\$	2009 S\$
<b>Financial Assets</b>		
Total loans and receivables (including cash and cash equivalents)	<u>38,846</u>	<u>31,641</u>
<b>Financial Liabilities</b>		
Total financial liabilities measured at amortised cost	<u>25,989</u>	<u>32,351</u>

# SINGAPORE HERITAGE SOCIETY

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010 – Continued

### 7. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND POLICIES – Continued

#### (b) Financial Risk Management and Policies

The Society's financial instruments are exposed to mainly credit and liquidity risks. The Society does not use derivatives and other instruments in its risk management activities and does not enter into derivative contracts for trading purposes. The Society conducts regular reviews and agrees policies for managing the financial risks to minimise the potential adverse financial impact of these exposures.

##### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society.

The aggregate carrying amount of trade and other receivables and bank balances represents the Society's maximum exposure to credit risk.

As at the end of the financial year, 67% (2009 : 100%) of the receivables was due from 1 single party.

##### Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with reputable licensed banks. Other receivables that are neither past due nor impaired comprises of advances.

##### Financial assets that are either past due or impaired

The Society has trade receivables amounting to S\$8,736 (2009 : S\$720) that are past due at the end of the financial year but not impaired. These receivables are unsecured and the analysis of their aging at the end of the financial year is as follows :-

	2010 S\$	2009 S\$
Trade receivables past due :		
Less than 30 days	8,752	11
31 – 60 days	-	104
More than 60 days	( 16)	605
	<u>8,736</u>	<u>720</u>

There are no financial assets that are impaired as at the end of the financial year.

##### *Liquidity risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds.

The Society monitors its cash flow requirements closely to ensure that it will always have sufficient liquidity to meet its liabilities when due.

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### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2010 – Continued

#### **8. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Society has no financial assets or financial liabilities that are carried at fair values using fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Society recorded at amortised cost in the financial statements approximate their fair values due to their short-term nature.

#### **9. MANAGEMENT OF SOCIETY'S FUNDS**

The primary objective of the Society's fund management is to safeguard its ability to continue as a going concern and to have adequate resources to support its stability and growth.

The Society manages its funds to ensure optimal structure taking into consideration future fund requirements and projected operating cash flows.

**SINGAPORE HERITAGE SOCIETY**

**ADJUSTING JOURNAL ENTRIES  
YEAR ENDED 31 MARCH 2010**

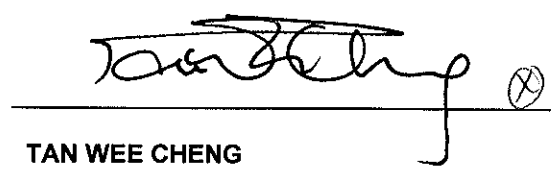
	<u>DR</u> S\$	<u>CR</u> S\$
Deferred income Government grant (P/L)	4,252.13	4,252.13

Being government grant recognised as income for the year ended 31/3/2010.

Certified correct and agreed that the above adjustments be made in the financial statements of the Society for the year ended 31 March 2010.



**DR KEVIN TAN**  
PRESIDENT



**TAN WEE CHENG**  
HONORARY TREASURER