

**SINGAPORE HERITAGE SOCIETY**

(Unique Entity Number: S87SS0042J)

(Incorporated in the Republic of Singapore)

**Annual Report for the Year Ended  
31 March 2015**

**LOUISE NEO & COMPANY**

**Public Accountants and**

**Chartered Accountants of Singapore**

Registration no. T05PF0864K

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**SINGAPORE HERITAGE SOCIETY**  
(Unique Entity Number: S87SS0042J)  
(Registered under the Charities Act, Cap 37 and Societies Act, Cap. 311)

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**MANAGEMENT COMMITTEE**

**PRESIDENT**  
Dr. Chua Ai Lin

**VICE PRESIDENT**  
Dr. Terence Chong

**HONORARY SECRETARY**  
Dr. Yeo Kang Shua

**COMMITTEE MEMBERS**  
Dinesh Naidu  
Alex Tan Tiong Hee  
Dr. Chistina Loong  
Siva S Krishnasamy  
Tan Say Kiong

**HONORARY TREASURER**  
Pwee Kok Ann Timothy

**ADVISOR ON FINANCE & GOVERNANCE**  
Tan Wee Cheng

**AUDITORS**  
Louise Neo & Company  
Public Accountants and  
Chartered Accountants  
1 Fifth Avenue  
#03-08 Guthrie House  
Singapore 268802

**REGISTERED OFFICE**  
50 East Coast Road  
#02-73 Roxy Square  
Singapore 428769

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**LOUISE NEO & COMPANY**

Public Accountants and  
Chartered Accountants  
Registration No.: T05PF0864K

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE HERITAGE SOCIETY**  
(Unique Entity Number: S87SS0042J)  
(Registered under the Charities Act, Cap 37 and Societies Act, Cap. 311)

**Report on the Financial Statements**

We have audited the accompanying financial statements of Singapore Heritage Society (the "Society"), which comprise the statement of financial position as at 31 March 2015, and the statement of financial activities and statement of cash flow for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Constitution of the Society, the Charities Act, Cap 37, the Societies Act, Cap 311 and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**LOUISE NEO & COMPANY**

Public Accountants and  
Chartered Accountants  
Registration No.: T05PF0864K

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGAPORE HERITAGE SOCIETY**  
(Unique Entity Number: S87SS0042J)  
(Registered under the Charities Act, Cap 37 and Societies Act, Cap. 311)

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of Constitution of the Society, the Charities Act, Cap 37, the Societies Act, Cap 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 March 2015 and the results and cash flows of the Society for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the above regulations to be kept by the Society have been properly kept in accordance with those Regulations.

During the course of our audit, nothing came 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 objectives.

**LOUISE NEO & COMPANY**  
Public Accountants and  
Chartered Accountants  
Singapore,

**STATEMENT BY MANAGEMENT COMMITTEE MEMBERS**

We, Chua Ai Lin, Pwee Kok Ann Timothy and Yeo Kang Shua on behalf of Management Committee, do hereby state that,

- (a) the financial statements as set out on pages 4 to 19 are properly drawn up in accordance with the provisions of the Constitution of the Society, the Charities Act, Cap 37, the Societies Act, Cap 311 and Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the Society as at 31 March 2015, and the statement of financial activities and cash flows of the Society for the financial year ended;
- (b) the accounting and other records required by those regulations to be kept by the Society have been properly kept in accordance with the above Regulation; and
- (c) the receipt, expenditure and the acquisition and disposal of assets by the Society during the year have been in accordance with the By-laws of the Society and the Societies Regulations.

On behalf of Management Committee,

  
\_\_\_\_\_  
Chua Ai Lin  
President

  
\_\_\_\_\_  
Pwee Kok Ann Timothy  
Honorary Treasurer

  
\_\_\_\_\_  
Yeo Kang Shua  
Honorary Secretary

Singapore,

**STATEMENT OF FINANCIAL POSITION**  
 As at 31 March 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	4	21,789	24,834
Trade and other receivables	5	29,670	39,436
Prepayments		3,142	3,187
Cash and cash equivalents	6	<u>275,451</u>	<u>184,353</u>
<b>TOTAL ASSETS</b>		<u><u>330,052</u></u>	<u><u>251,810</u></u>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated funds	7	187,512	175,733
<b>Current Liabilities</b>			
Trade and other payables	8	15,468	13,166
Deferred income	9	<u>122,001</u>	<u>58,079</u>
		<u>137,469</u>	<u>71,245</u>
<b>Non-Current Liabilities</b>			
Deferred income	9	5,071	4,832
<b>TOTAL RESERVES AND LIABILITIES</b>		<u><u>330,052</u></u>	<u><u>251,810</u></u>

**STATEMENT OF FINANCIAL ACTIVITIES**  
 For the year ended 31 March 2015

	Note	2015 \$	2014 \$
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generating funds</b>			
<u>Voluntary income</u>			
Donations and sponsorships		38,445	94,880
Members' subscriptions		14,769	10,409
Government grants		300	27,050
		<u>53,514</u>	<u>132,339</u>
<u>Activities from generating funds</u>			
Sale of books		7,455	31,013
		<u>60,969</u>	<u>163,352</u>
<b>Total incoming resources from generating funds</b>			
<b>Incoming resources from charitable activities</b>			
<u>Project income</u>			
Celebration Bukit Brown exhibition		-	3,000
The Song Ong Siang Book Project		25,000	-
Singapore Heritage Fest 2014		38,000	-
Singapore Memory Project		600	-
		<u>63,600</u>	<u>3,000</u>
Tour income		71,615	32,604
		<u>71,615</u>	<u>32,604</u>
		<u>135,215</u>	<u>35,604</u>
<b>Total incoming resources from charitable activities</b>			
<b>Other incoming resources</b>			
Interest income		141	142
Other income	10	4,370	2,512
		<u>4,511</u>	<u>2,654</u>
<b>Total other incoming resources</b>			
		<u>200,695</u>	<u>201,610</u>
<b>Total incoming resources</b>			

**STATEMENT OF FINANCIAL ACTIVITIES - CONT'D**  
 For the year ended 31 March 2015

	2015 \$	2014 \$
<b>RESOURCES EXPENDED</b>		
<b>Cost of generating funds</b>		
Cost of sales		
Opening inventories	24,834	9,563
Production cost	-	41,000
Less: Closing inventories	(21,789)	(24,834)
	<u>3,045</u>	<u>25,729</u>
<b>Cost of charitable services</b>		
Project cost		
Celebration Bukit Brown exhibition	1,400	999
The Song Ong Siang Book Project	25,000	-
Anatomy of a Riot Seminar	785	-
CSYA project	12,083	103,522
KTM Railway Memories in SG	21,000	-
Singapore Heritage Fest 2014	37,600	-
Singapore Memory Project	600	-
Singapore Railway Heritage	-	500
Text in the City Poetry Trails	1,200	-
	<u>99,668</u>	<u>105,021</u>
Tour expenses	61,793	28,380
	<u>161,461</u>	<u>133,401</u>
<b>Governance and administrative costs</b>		
Accountancy fee	2,000	2,000
Administration fee	-	40
Allowance for impairment	150	-
Audit fee	1,000	1,000
Bank charges	91	63
Books	-	150
Credit card charges	191	112
Donations	-	250
Entertainment	-	7
Event	-	200
Interns allowance	300	-
Maintenance - webhosting	244	102
Postage and courier	575	553
Printing and stationery	634	621
Printing of calendars	-	1,000
Professional fees	1,950	2,250
Refreshments	184	-
Royalties	746	1,249
Secretarial fee	15,600	12,000
Storage charges	675	835
Subscription fee	45	535
Transportation	25	55
	<u>24,410</u>	<u>23,022</u>
<b>Total resources expended</b>	<u>188,916</u>	<u>182,152</u>
<b>Surplus for the year</b>	<u>11,779</u>	<u>19,458</u>

The accompanying notes form part of the financial statements



**STATEMENT OF CASH FLOWS**  
 For the year ended 31 March 2015

	Note	2015 \$	2014 \$
<b>Cash Flows From Operating Activities:</b>			
Surplus for the year		11,779	19,458
<u>Adjustment for:</u>			
Interest income		(141)	(142)
Operating cash flows before working capital changes		<u>11,638</u>	<u>19,316</u>
<u>Changes in working capital:</u>			
Inventories		3,045	(15,271)
Trade and other receivables		9,766	(36,460)
Prepayments		45	5,658
Trade and other payables		2,302	(834)
Deferred income		64,161	22,289
Cash flows used in operations		<u>90,957</u>	<u>(5,302)</u>
Interest received		141	142
<b>Net cash flows used in operating activities</b>		<u>91,098</u>	<u>(5,160)</u>
<b>Net decrease in cash and cash equivalents</b>		91,098	(5,160)
<b>Cash and cash equivalents at beginning of year</b>		184,353	189,513
<b>Cash and cash equivalents at end of year</b>	6	<u><u>275,451</u></u>	<u><u>184,353</u></u>

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 a society registered under the Charities Act, Cap 37 and Societies Act, Cap. 311 in the Republic of Singapore.

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

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") and the disclosure requirements of the Recommended Accounting Practice 6.

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

**2.2 Changes in accounting policies**

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 and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Society.

**2.3 Standards issued but not yet effective**

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 113 Fair Value Measurement	1 July 2014
(b) Amendments to FRS 24 Related Party Disclosures	1 July 2014
Improvements to FRSs (February 2014)	
Amendments to FRS 113 Fair Value Measurement	1 July 2014

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2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

2.3 Standards issued but not yet effective – cont'd

The Society expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Functional and foreign currency

(i) Functional currency

Items included in the financial statements of the Society are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to entity. The financial statements of the Society are presented in Singapore dollars (\$) which is the functional currency of the Society.

(ii) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Society and are recorded on initial recognition in the functional currencies 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 end of the reporting period. 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 determined.

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

2.5 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*

The subsequent measurement of financial assets depends on their classification as follows:

(i) 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 cost 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 amortization process.

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2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

2.5 Financial instruments - cont'd

a) Financial assets - cont'd

*Subsequent measurement - cont'd*

(ii) Financial liabilities at fair value through profit or loss

As at year end date there were no financial asset classified in this category.

(iii) Held-to-maturity investments

As at year end date there were no financial asset classified in this category.

(iv) Available-for-sale financial assets

As at year end date there were no financial asset classified in this category.

*De-recognition*

A financial asset is derecognised where 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 had been recognised in other comprehensive income is recognised in profit or loss.

*Regular way purchase or sale of a financial asset*

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Society commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention or convention in the marketplace concerned.

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 instruments. 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*

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

As at year end date there were no financial liabilities classified in this category.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

2.5 Financial instruments - cont'd

b) Financial liabilities - cont'd

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are 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 amortization process.

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or 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 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.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.6 Impairment of financial assets

The Society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Society first assesses 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 assets, 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 amortized cost has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows discounted at 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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

2.6 Impairment of financial assets - cont'd

(i) Financial assets carried at amortised cost - cont'd

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 been incurred; the Society considers factors such as the probability of insolvency of 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.

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.7 Cash and cash equivalents

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

2.8 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 realized in the normal course of business after allowing for costs of realization. Provision is made where necessary, for obsolete, slow-moving and defective inventories.

2.9 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 balance sheet 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 favorable interest is regarded as additional government grant.

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## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### 2.10 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 economic resources will be required to settle the obligations 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.

### 2.11 Revenue

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. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty.

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.

### 2.12 Taxes

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

### 2.13 Accumulated funds

Accumulated fund represents the amounts accumulated from the transfer of the net surplus or deficit of each financial year.

### 2.14 Related party

A related party is defined as follows:

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;

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2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

2.14 Related party – cont'd

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.
- (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).

3 **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION**

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

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. These estimates and underlying assumptions are reviewed on an ongoing basis.

*Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimations uncertainty at the end of the reporting period 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 as below:

Impairment of loans and receivables

The Society assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Society's loans and receivables at the end of the reporting period is disclosed in Note 12 to the financial statements.



4 INVENTORIES	2015	2014
	\$	\$
Books and publications	<u>21,789</u>	<u>24,834</u>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to \$3,045 (2014: \$25,729).

5 TRADE AND OTHER RECEIVABLES	2015	2014
	\$	\$
Trade receivables	29,950	41,866
Less: Allowance for impairment	<u>(2,580)</u>	<u>(2,430)</u>
	27,370	39,436
Deposit	<u>2,300</u>	<u>-</u>
	<u>29,670</u>	<u>39,436</u>

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

Receivables that are past due but not impaired

The Society has trade receivables amounting to \$29,842 (2014: \$41,866) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of its aging at the end of the reporting period are as follow:

	2015	2014
	\$	\$
Trade receivables past due:		
Less than 30 days	1,962	38,534
30 to 60 days	-	752
More than 60 days	<u>27,880</u>	<u>2,580</u>
	<u>29,842</u>	<u>41,866</u>

Receivables that are impaired

Trade receivables that are individually determined to be impaired as at the end of the reporting period relates to receivables that are in financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

The movement of the allowance account for the Company that are individually impaired is as follows:

	2015	2014
	\$	\$
At beginning of year	2,430	-
Charge for the year	<u>150</u>	<u>2,430</u>
At end of year	<u>2,580</u>	<u>2,430</u>

6 CASH AND CASH EQUIVALENTS	2015	2014
	\$	\$
Cash at bank	<u>275,451</u>	<u>184,353</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

<b>7 ACCUMULATED FUNDS</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Balance at beginning of year	175,733	156,275
Surplus for the year	11,779	19,458
Balance at end of year	<u>187,512</u>	<u>175,733</u>

<b>8 TRADE AND OTHER PAYABLES</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Trade payables	10,000	10,166
Accruals	5,468	3,000
	<u>15,468</u>	<u>13,166</u>

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

<b>9 DEFERRED INCOME</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Government grants	58,072	11,142
Memberships' subscriptions	14,340	13,819
Others	54,660	37,950
	<u>127,072</u>	<u>62,911</u>
Non-current	5,071	4,832
Current	122,001	58,079
	<u>127,072</u>	<u>62,911</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.

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:-

	<b>2015</b>	<b>2014</b>
	\$	\$
Total grant received	95,967	48,737
Cumulative amount recognised in income	(37,895)	(37,595)
Deferred balance at 31 March	<u>58,072</u>	<u>11,142</u>
Balance at 1 April	11,142	11,142
Grant received during the year	47,230	-
Recognised as income during the year	(300)	-
Balance at 31 March	<u>58,072</u>	<u>11,142</u>

<b>10 OTHER INCOME</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Miscellaneous income	4,370	2,500
Sale of calendars	-	12
	<u>4,370</u>	<u>2,512</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:

	2015	2014
	\$	\$
Donation	5,500	2,500
Project cost	37,800	-
Tour expenses	-	500
Professional fee	1,800	2,250
	<u>1,800</u>	<u>2,250</u>

## 12 FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND POLICIES

### (i) Financial risk management

The main purpose of financial instruments is to raise finance for the Society operations. The Society's financial instruments are exposed to mainly credit risk, liquidity risk, foreign currency risk and interest rate risk. 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.

### (ii) Carrying amount of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the year by FRS 39 categories:

	2015	2014
	\$	\$
<u>Financial assets:</u>		
<i>Loans and receivables</i>		
Trade and other receivables	29,670	39,436
Cash and cash equivalents	275,451	184,353
Total financial assets	<u>305,121</u>	<u>223,789</u>
<u>Financial liabilities (Measured at amortised cost):</u>		
Trade and other payables	15,468	13,166
Total financial liabilities	<u>15,468</u>	<u>13,166</u>

### (iii) Credit risk on financial assets

Credit risk refers to the risk of 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 balance represents the Society's maximum exposure to the Society. Credit risk on bank balance is limited because the counter-party is bank with high credit rating.

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

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Society. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

**12 FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND POLICIES - CONT'D**

(iii) Credit risk on financial assets - cont'd

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (Trade and other receivables).

(iv) 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.

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:-

	2015	2014
	\$	\$
<u>Financial assets:</u>		
<i>Less than 1 year</i>		
Trade and other receivables	29,670	39,436
Cash and cash equivalents	275,451	184,353
Total undiscounted financial assets	<u>305,121</u>	<u>223,789</u>
<u>Financial liabilities:</u>		
<i>Less than 1 year</i>		
Trade and other payables	15,468	13,166
Total undiscounted financial liabilities	<u>15,468</u>	<u>13,166</u>
Total net undiscounted financial assets	<u>289,653</u>	<u>210,623</u>

(v) Foreign currency risk

The Society has no foreign currency risk as transactions and balances are denominated in Singapore dollars.

(vi) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates.

The Society's interest-yielding assets are not significant and accordingly the interest rate risk is limited.

**13 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.

#### **14 FAIR VALUE MEASUREMENT**

The Society categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

As at reporting date, the management committee considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate fair values due to the relatively short-term maturity of these financial instruments, and hence, the aforesaid disclosure are not required.

#### **15 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements of the Society for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the executive committee as stated in the Statement by Management Committee Members.