

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

Annual Report
31 March 2019

Contents

	Page
Statement by Management Committee	1
Independent Auditor's Report	2 – 4
Statement of Financial Position	5
Statement of Financial Activities	6
Statement of Changes in Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 33

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 2019.

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.

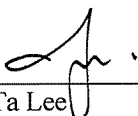
Statement by Management Committee Members

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 33 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2019 and of the financial activities, 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 30 August 2019.

On behalf of the Management Committee,



Jack Tsen-Ta Lee
President



Victor Yue
Honorary Treasurer



Han Ming Guang
Honorary Secretary

Singapore,

30 AUG 2019



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 2019, 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 present fairly, in all material respects, the state of affairs of the Society as at 31 March 2019 and the results, 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 Those Charged with Governance 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 unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

lee

**Independent Auditor's Report (continued)****To the members of
Singapore Heritage Society**

Responsibilities of Management and Those Charged with Governance for the Financial Statements (cont'd)
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.

Those charged with governance are responsible for 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 of 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 risks 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

HOON TAI MENG & CO.

Public Accountants and Chartered Accountants

5001 Beach Road #04-18 Golden Mile Complex Singapore 199588.

Tel: (65) 6295 2826 Fax: (65) 6295 1287

Email: audit@htmtys.com

PUBLIC & CHARTERED
ACCOUNTANTS



Independent Auditor's Report (continued)

To the members of Singapore Heritage Society

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

We communicate with those charged with governance 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.

Hoon Tai Meng & Co.

Public Accountants and Chartered Accountants

Singapore,

30 August 2019

Statement of Financial Position
As at 31 March 2019

	<u>Note</u>	<u>2019</u> S\$	<u>2018</u> S\$
Assets			
Non-current assets			
Plant and equipment	6	12,950	14,800
Current assets			
Inventories	7	-	20,086
Trade and other receivables	8	9,882	2,277
Cash and bank balances	9	329,465	293,001
		<u>339,347</u>	<u>315,364</u>
Total assets		<u>352,297</u>	<u>330,164</u>
Reserves and liabilities			
Reserves			
Accumulated fund	10	287,543	239,325
Current liabilities			
Accruals and other payables	11	5,654	4,817
Deferred income	12	52,215	80,257
		<u>57,869</u>	<u>85,074</u>
Non-current liability			
Deferred income	12	6,885	5,765
Total reserves and liabilities		<u>352,297</u>	<u>330,164</u>

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

**Statement of Financial Activities
For the year ended 31 March 2019**

	<u>Note</u>	<u>2019</u> S\$	<u>2018</u> S\$
Income			
Donations	3(i)	19,972	23,059
Government grants		153,197	55,808
Members' subscriptions		12,110	12,916
Profit from sale of books	3(ii)	335	257
Income from projects/charitable activities	3(iii)	14,403	36,633
Other income	3(iv)	134	14,203
Interest income		189	179
		<u>200,340</u>	<u>143,055</u>
Expenditure			
Project and charitable activities cost	4	82,538	95,676
Governance and administrative cost	5	67,734	42,543
Depreciation		1,850	1,850
		<u>152,122</u>	<u>140,069</u>
Surplus for the year		<u><u>48,218</u></u>	<u><u>2,986</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 2019**

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Balance at beginning of financial year	239,325	236,339
Surplus for the year	<u>48,218</u>	<u>2,986</u>
Balance at end of financial year	<u><u>287,543</u></u>	<u><u>239,325</u></u>

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

Statement of Cash Flows
For the year ended 31 March 2019

	<u>2019</u> S\$	<u>2018</u> S\$
Cash flows from operating activities		
Surplus for the year	48,218	2,986
Adjustments for:		
Bad debts written off	-	3,000
Depreciation of plant and equipment	1,850	1,850
Inventories written off	20,050	-
Other income – write back of payables	-	(10,000)
Other income – overprovision of prior year accruals	-	(2,452)
Interest income	(189)	(179)
Operating cash flows before changes in working capital	69,929	(4,795)
Decrease in inventories	36	169
Increase in trade and other receivables	(7,605)	(2,020)
Decrease in prepayments	-	250
Increase in accruals and other payables	837	843
(Decrease)/increase in deferred income	(26,922)	5,221
Cash generated from/(used in) operations	36,275	(332)
Interest received	189	179
Net cash generated from/(used in) operating activities	36,464	(153)
Net increase/(decrease) in cash and cash equivalents	36,464	(153)
Cash and cash equivalents at beginning of year	293,001	293,154
Cash and cash equivalents at end of year (note 9)	329,465	293,001

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

Notes to the Financial Statements – 31 March 2019

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 under the Charities Act, Chapter 37 and approved Institution 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 activities 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 Financial Reporting Standards in Singapore (“FRS”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2018. Except for the adoption of FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Society.

FRS 109 *Financial Instruments*

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Society applied FRS 109 retrospectively, with an initial application date of 1 April 2018. The Society has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39. The nature of the changes arising from the adoption of FRS 109 on 1 April 2018 are as follows:

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 109 *Financial Instruments* (continued)

(a) Classification and measurement

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Society's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Society's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Trade and other receivables classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Society has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Society's financial liabilities.

(b) Impairment

The adoption of FRS 109 has fundamentally changed the Society's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Society to recognise an allowance for ECLs for all debt instruments not held at FVPL.

At the date of initial application and 31 March 2019, the Society has assessed that the adoption of FRS 109 does not have any material impact to the financial position and results of the Society.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 115 *Revenue from Contracts with Customers* (continued)

FRS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Society adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Society elected to apply the standard to all contracts as at 1 April 2018.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of accumulated fund. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations.

At the date of initial application and 31 March 2019, the Society has assessed that the adoption of FRS 115 does not have any material impact to the financial position and results of the Society.

2.3 Standards issued but not yet effective

The Society has not adopted the following standards applicable to the Society that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019

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.

2.4 Significant accounting judgments and estimates

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

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.4 Significant accounting judgments and estimates (continued)

(i) 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.

(ii) Key sources of estimation uncertainty

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

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 2019 was S\$12,950 (2018: S\$14,800).

Inventory valuation method

Inventory write-down is 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 2019 was Nil (2018: S\$20,086).

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 rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.6 Plant and equipment

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

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

	<u>Useful lives</u>
Films	10 years

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

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

2.7 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.8 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 for debt instruments is recognised in profit or loss.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

(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 FVPL, directly attributable transaction costs.

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 amortisation process.

Loans and receivables comprise trade and other receivables and cash and cash equivalents. Cash and cash equivalents comprise cash at banks and on hand.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

(a) Financial assets (continued)

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Such financial liabilities comprise trade and other payables.

Derecognition

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

2.9 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.9 Impairment of financial assets (continued)

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Society recognises an impairment gain or loss on financial assets in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

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

Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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 financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial 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 amount of the financial asset.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.9 Impairment of financial assets (continued)

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 or significant financial difficulties of the debtor and default or significant delay in payments.

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

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.12 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.

2.13 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.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.13 Government grants (continued)

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.

2.14 Revenue

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018:

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(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 year 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

Income from members' subscription fees are recognised as a performance obligation satisfied over time and are recognised in the year to which the subscription relates.

(iii) Sale of books

Revenue from sale of books is recognised at the point in time when the Society has satisfied its performance obligation by transferring control of the books to the customer, represented by the successful delivery and acceptance of the books by the customer.

(iv) Donations

Revenue from donations are recognised when they are received.

Notes to the Financial Statements – 31 March 2019

2. Significant accounting policies (continued)

2.14 Revenue (continued)

These accounting policies are applied before the initial application date of FRS 115, 1 April 2018:

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 year 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 the 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.

2.15 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 its charitable objects. No tax charges have arisen for the Society during the reporting year.

2.16 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 2019

3. Income

(i) Donations

	<u>2019</u> S\$	<u>2018</u> S\$
Tax-deductible donations	17,752	21,892
Non tax-deductible donations	2,220	1,167
	<u>19,972</u>	<u>23,059</u>

(ii) Profit from sale of books

	<u>2019</u> S\$	<u>2018</u> S\$
Sale of books	371	426
Less: Cost of goods sold		
Opening inventories	20,086	20,255
Closing inventories	(20,050)	(20,086)
	36	169
Profit from sale of books	<u>335</u>	<u>257</u>

(iii) Income from projects/charitable activities

	<u>2019</u> S\$	<u>2018</u> S\$
Project income:		
Our Modern Past	-	90
Research on Yuan Xiao	2,040	-
Syonan: Singapore Under the Japanese	7,492	33,973
SHS Night @ Chinatown Crossings	1,600	-
	11,132	34,063
Tour income	3,271	2,570
	<u>14,403</u>	<u>36,633</u>

Notes to the Financial Statements – 31 March 2019

3. Income (continued)

(iv) Other income

	<u>2019</u> S\$	<u>2018</u> S\$
Anniversary dinner	-	1,750
Waiver of trade payable	-	10,000
Overprovision of accruals written back	-	2,451
Miscellaneous income	134	2
	<u>134</u>	<u>14,203</u>

4. Project and charitable activities cost

	<u>2019</u> S\$	<u>2018</u> S\$
Project cost		
Research of Historic Places of Worship	18,045	27,068
Our Modern Past	-	220
Research on Yuan Xiao	1,700	-
Syonan: Singapore Under the Japanese	-	31,030
SHS Night @ Chinatown Crossings	1,530	-
Singapore's Hawker Culture	53,010	-
The Wayfinder @ Bukit Brown	6,000	22,250
World War II @ BB Book	-	13,148
	80,285	93,716
Tour expenses	2,253	1,960
	<u>82,538</u>	<u>95,676</u>

5. Governance and administrative cost

	<u>2019</u> S\$	<u>2018</u> S\$
Bad debts written off	-	3,000
Interns' allowance	-	150
Inventories written off (see Note 7)	20,050	-
Professional fees	-	4,962
Secretarial fee	19,350	19,200
Service fee	18,000	4,500
Others	10,334	10,731
	<u>67,734</u>	<u>42,543</u>

Notes to the Financial Statements – 31 March 2019

6. Plant and equipment

	<u>Films</u> S\$
Cost	
At 31 March 2018 and 31 March 2019	<u>18,500</u>
Accumulated depreciation	
At 01 April 2017	1,850
Charge for the year	<u>1,850</u>
At 31 March 2018	3,700
Charge for the year	<u>1,850</u>
At 31 March 2019	<u>5,550</u>
Net book value	
At 31 March 2018	<u>14,800</u>
At 31 March 2019	<u>12,950</u>

7. Inventories

	<u>2019</u> S\$	<u>2018</u> S\$
Statement of Financial Position		
Inventories	<u>-</u>	<u>20,086</u>
Statement of Financial Activities		
Inventories recognised as an expense in cost of sales	36	169
Inventories written off (Note 5)	<u>20,050</u>	<u>-</u>

8. Trade and other receivables

	<u>2019</u> S\$	<u>2018</u> S\$
Trade receivables:		
Due from third parties	3,422	3,295
Less: Allowance for impairment	<u>(2,580)</u>	<u>(2,580)</u>
	<u>842</u>	<u>715</u>

Notes to the Financial Statements – 31 March 2019

8. Trade and other receivables (continued)

	<u>2019</u> S\$	<u>2018</u> S\$
Other receivables:		
Donation receivable	-	1,500
Membership receivable	1,500	-
Unbilled revenue	48	62
Other receivables	7,492	-
	<u>9,040</u>	<u>1,562</u>
Total trade and other receivables	<u>9,882</u>	<u>2,277</u>

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

Receivables that were impaired

The Society's trade receivables that were impaired as at 31 March 2018 and the movements of the allowance accounts used to record the impairment were as follows:

	<u>2018</u> S\$
Trade receivables – nominal amounts	3,295
Less: Allowance for impairment	<u>(2,580)</u>
	<u>715</u>
Movement in allowance accounts:	
At 1 April 2017 and 31 March 2018	<u>2,580</u>

Trade receivables that were determined to be impaired at the end of the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

Notes to the Financial Statements – 31 March 2019

8. Trade and other receivables (continued)

	<u>2019</u> S\$
Movement in allowance accounts:	
At 31 March 2018 under FRS 39	2,580
Effect of adopting FRS 109 (Note 2.2)	-
At 1 April 2018 under FRS 109	<u>2,580</u>
Allowance made/(reversal of allowance)	-
At 31 March 2019	<u><u>2,580</u></u>

9. Cash and bank balances

	<u>2019</u> S\$	<u>2018</u> S\$
Cash on hand	1,232	1,576
Cash at banks	<u>328,233</u>	<u>291,425</u>
	<u><u>329,465</u></u>	<u><u>293,001</u></u>

10. Accumulated fund

	<u>2019</u> S\$	<u>2018</u> S\$
Balance at beginning of year	239,325	236,339
Surplus for the year	<u>48,218</u>	<u>2,986</u>
Balance at end of year	<u><u>287,543</u></u>	<u><u>239,325</u></u>

11. Accruals and other payables

	<u>2019</u> S\$	<u>2018</u> S\$
Accruals	4,010	4,117
Advance receipts	645	700
Other payables	<u>999</u>	<u>-</u>
	<u><u>5,654</u></u>	<u><u>4,817</u></u>

Notes to the Financial Statements – 31 March 2019

12. Deferred income

	<u>2019</u> S\$	<u>2018</u> S\$
Government grants	43,347	71,514
Membership subscriptions	<u>15,753</u>	<u>14,508</u>
	<u>59,100</u>	<u>86,022</u>
Non-current	6,885	5,765
Current	<u>52,215</u>	<u>80,257</u>
	<u>59,100</u>	<u>86,022</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>2019</u> S\$	<u>2018</u> S\$
Total grant received	367,971	242,941
Cumulative amount recognised in income	<u>(324,624)</u>	<u>(171,427)</u>
Balance at end of year	<u>43,347</u>	<u>71,514</u>
Balance at beginning of year	71,514	66,172
Grant received during the year	125,030	61,150
Recognised as income during the year	<u>(153,197)</u>	<u>(55,808)</u>
Balance at end of year	<u>43,347</u>	<u>71,514</u>

13. Related party transactions

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

Notes to the Financial Statements – 31 March 2019

13. Related party transactions (continued)

	<u>2019</u> S\$	<u>2018</u> S\$
Donation from committee members	400	840
Service fee paid to the Vice President	<u>18,000</u>	<u>4,500</u>

14. Fair value of assets and liabilities

(a) Fair value hierarchy

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 market for identical assets or liabilities that the Society 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.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents and accruals

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.

15. Financial risk management

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk). The overall risk management strategy is determined and carried out by the management committee on an informal basis.

Notes to the Financial Statements – 31 March 2019

15. Financial risk management (continued)

The following sections provide details regarding the Society's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Notes to the Financial Statements – 31 March 2019

15. Financial risk management (continued)

(a) Credit risk (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Society's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

Notes to the Financial Statements – 31 March 2019

15. Financial risk management (continued)

(a) Credit risk (continued)

	Note	Category	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
31 December 2018						
Trade receivables		Note 1	Lifetime ECL (simplified)	3,422	(2,580)	842
Other receivables		I	12-month ECL	9,040	-	9,040
					<u>(2,580)</u>	
1 January 2018						
Trade receivables		Note 1	Lifetime ECL (simplified)	3,295	(2,580)	715
Other receivables		I	12-month ECL	1,562	-	1,562
					<u>(2,580)</u>	

Trade receivables (Note 1)

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime

Information regarding loss allowance movement of trade receivables is disclosed in Note 8.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Notes to the Financial Statements – 31 March 2019

15. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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.

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 reporting date based on contractual undiscounted repayment obligations.

	Carrying amount S\$	2019 Contractual cash flows S\$	One year or less S\$
Financial assets			
Trade and other receivables	9,882	9,882	9,882
Cash and bank balances	329,465	329,465	329,465
	<u>339,347</u>	<u>339,347</u>	<u>339,347</u>
Financial liabilities			
Accruals and other payables	5,009	5,009	5,009
	<u>5,009</u>	<u>5,009</u>	<u>5,009</u>
Net undiscounted financial assets	<u>334,338</u>	<u>334,338</u>	<u>334,338</u>
	Carrying amount S\$	2018 Contractual cash flows S\$	One year or less S\$
Financial assets			
Trade and other receivables	2,277	2,277	2,277
Cash and bank balances	293,001	293,001	293,001
	<u>295,278</u>	<u>295,278</u>	<u>295,278</u>
Financial liabilities			
Accruals and other payables	4,117	4,117	4,117
	<u>4,117</u>	<u>4,117</u>	<u>4,117</u>
Net undiscounted financial assets	<u>291,161</u>	<u>291,161</u>	<u>291,161</u>

Notes to the Financial Statements – 31 March 2019

15. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Society's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Society has no significant exposure to market risk and changes in market prices do not have a material impact on the Society.

16. Financial instruments by category

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

	<u>2019</u> S\$	<u>2018</u> S\$
Financial assets at amortised cost		
Trade and other receivables	9,882	2,277
Cash and bank balances	<u>329,465</u>	<u>293,001</u>
	<u>339,347</u>	<u>295,278</u>
Financial liabilities at amortised cost		
Accruals and other payables	<u>5,009</u>	<u>4,117</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.

Notes to the Financial Statements – 31 March 2019

18. Capital management (continued)

The Society's objectives 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.

	<u>2019</u> S\$	<u>2018</u> S\$
Cash and bank balances	<u>329,465</u>	<u>293,001</u>
Accumulated fund	<u>287,543</u>	<u>239,325</u>

As of 31 March 2019, the ratio of reserves to recurring operating expenses and ratio of reserves to total expenses including project costs are 5.8 times (2018: 5.4 times) and 2.2 times (2018: 1.7 times) respectively. The Society's ratio of cash and bank balances to committed recurring operating expenses is 6.6 times (2018: 6.6 times).

19. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2019 were authorised for issue by the Management Committee on 30 August 2019.