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

Annual Report
31 March 2021

Contents

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 2021.

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
Mr Jonathan Poh	Committee Member
Mr Kok Heng Leun	Committee Member
Dr Natalie Pang Lee San	Committee Member
Ms Pang Lee Shien	Committee Member
Mr Rizwana Begum	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 26 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2021 and surplus of the financial activities, changes in fund 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 23 August 2021.

On behalf of the Management Committee,

Jack Tsen-Ta Lee	Victor Yue	Han Ming Guang
President	Honorary Treasurer	Honorary Secretary

Singapore,
23 AUG 2021

HOON TAI MENG & CO.
Public Accountants and Chartered Accountants
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5001 Beach Road #04-18 Golden Mile Complex Singapore 199588
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PUBLIC & CHARTERED ACCOUNTANTS

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 2021, the Statement of Financial Activities, Statement of Changes in 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 2021 and the surplus, 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.

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PUBLIC & CHARTERED ACCOUNTANTS

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

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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,
23 August 2021

Statement of Financial Position
As at 31 March 2021

	Note	2021 S$	2020 S$
Assets			
Non-current assets			
Plant and equipment	6	9,250	11,100
Current assets			
Trade and other receivables	7	4,025	27,435
Cash and bank balances	8	534,618	331,290
		538,643	358,725
Total assets		**547,893**	**369,825**
Reserves and liabilities			
Reserves			
Accumulated fund	9	380,767	331,973
Non-current liability			
Deferred income	11	6,216	5,102
Current liabilities			
Accruals and other payables	10	57,514	4,898
Deferred income	11	103,396	27,852
		160,910	32,750
Total reserves and liabilities		**547,893**	**369,825**

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

Statement of Financial Activities
For the year ended 31 March 2021

	Note	2021	2020
		S$	S$
Income			
Donations	3(i)	22,615	85,003
Government grants	3(ii)	43,025	51,353
Members' subscriptions	3(iii)	11,866	13,345
Profit from sale of books	3(iv)	30	309
Income from projects/charitable activities	3(v)	4,720	4,337
Other income	3(vi)	42,334	7,442
Interest income		203	258
		124,793	162,047
Expenditure			
Project and charitable activities cost	4	30,282	67,275
Governance and administrative cost	5	43,867	48,492
Depreciation		1,850	1,850
		75,999	117,617
Surplus for the year		**48,794**	**44,430**

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

Statement of Changes in Fund
For the year ended 31 March 2021

	Accumulated Fund	
	2021	2020
	S$	S$
Balance at beginning of financial year	331,973	287,543
Surplus for the year	48,794	44,430
Balance at end of financial year	380,767	331,973

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

Statement of Cash Flows
For the year ended 31 March 2021

	2021	2020
	S$	S$
Cash flows from operating activities		
Surplus for the year	48,794	44,430
Adjustments for:		
Depreciation of plant and equipment	1,850	1,850
Interest income	(203)	(258)
Operating cash flows before changes in working capital	50,441	46,022
Decrease/(increase) in trade and other receivables	23,410	(17,553)
Increase/(decrease) in accruals and other payables	52,616	(756)
Increase/(decrease) in deferred income	76,658	(26,146)
Cash generated from operations	203,125	1,567
Interest received	203	258
Net cash generated from operating activities	203,328	1,825
Net increase in cash and cash equivalents	203,328	1,825
Cash and cash equivalents at beginning of year	331,290	329,465
Cash and cash equivalents at end of year (note 8)	534,618	331,290

Notes to the Financial Statements – 31 March 2021

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 Institution of a Public Character status granted to the Society for donations under the Charities Act, Chapter 37 is for the period from 14 July 2021 to 13 July 2023, subject to renewal.

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 2020. The adoption of these standards did not have any material 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 applicable to the Society that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendment to FRS 116 *Leases*: Covid-19-Related Rent Concessions	1 June 2020

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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

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.

(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 2021 was S$9,250 (2020: S$11,100).

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.

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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

2.6 Plant and equipment (continued)

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:

	Useful lives
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.

2.8 Financial instruments

(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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

(a) Financial assets (continued)

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.

<u>Subsequent measurement</u>

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.

<u>Derecognition</u>

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.

(b) Financial liabilities

<u>Initial recognition and measurement</u>

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.

<u>Subsequent measurement</u>

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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

2.8 Financial instruments (continued)

(b) Financial liabilities (continued)

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.

2.9 Impairment of financial assets

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. 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).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Society considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

2.11 Provisions (continued)

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.

2.12 Government grants

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

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

2.13 Income

Income 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.

Income 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 income 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.

Notes to the Financial Statements – 31 March 2021

2. Significant accounting policies (continued)

2.13 Revenue (continued)

(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, except for committed donations that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations.

2.14 Leases

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Short-term leases and leases of low-value assets

The Society applies the short-term lease recognition exemption to its short-term leases of working spaces (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.15 Income tax

As an approved charity under the Charities Act, Cap. 37, the Society is exempt from income tax under section 13(1)(zm) of the Income Tax Act, Cap 134.

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 2021

3. Income

(i) Donations

	2021 S$	2020 S$
Recognised as income at a point in time		
Tax-deductible donations	19,747	75,430
Non tax-deductible donations	2,868	9,573
	22,615	85,003

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted enhanced tax deduction for the donations made to the fund of the Society. The tax deduction is 2.5 times, effective from 1 January 2016 to 31 December 2018 and has been further extended until 31 December 2021.

(ii) Government grants

	2021 S$	2020 S$
Recognised as income over time		
Community Integration Fund	1,590	20,377
Cultural Matching Fund	15,535	25,076
Digital Project Grant	20,000	-
Heritage Participation Grant	5,900	5,900
	43,025	51,353

(iii) Members' subscriptions

	2021 S$	2020 S$
Recognised as income over time		
Members' subscriptions	11,866	13,345

(iv) Profit from sale of books

	2021 S$	2020 S$
Recognised as income at a point in time		
Sale of books	30	309

Notes to the Financial Statements – 31 March 2021

3. Income (continued)

(v) Income from projects/charitable activities

	2021	2020
	S$	S$
Recognised as income at a point in time		
Project income:		
Bicentennial Walking Workshop Series	-	3,070
Singapore Heritage Festival	400	-
	400	3,070
Tour income	4,320	1,267
	4,720	4,337

(vi) Other income

	2021	2020
	S$	S$
Recognised as income at a point in time		
Grant administrative fees	42,334	7,425
Miscellaneous	-	17
	42,334	7,442

4. Project and charitable activities cost

	2021	2020
	S$	S$
Bicentennial Walking Workshop Series	3,000	29,347
Modern ASEAN Architecture Conference 2019	3,895	37,206
Digitisation of Rare Documents in Seng Wong Beo	20,000	-
Singapore Heritage Festival	27	
	26,922	66,553
Tour expenses	3,360	722
	30,282	67,275

5. Governance and administrative cost

	2021	2020
	S$	S$
Secretarial fee	19,200	19,200
Service fee	18,000	18,000
Others	6,667	11,292
	43,867	48,492

Notes to the Financial Statements – 31 March 2021

6. Plant and equipment

	Films S$
Cost	
At 31 March 2020 and 31 March 2021	18,500
Accumulated depreciation	
At 01 April 2019	5,550
Charge for the year	1,850
At 31 March 2020	7,400
Charge for the year	1,850
At 31 March 2021	9,250
Net book value	
At 31 March 2020	11,100
At 31 March 2021	9,250

7. Trade and other receivables

	2021 S$	2020 S$
Trade receivables:		
Due from third parties	-	63
Less: Allowance for impairment	-	-
	-	63
Other receivables:		
Donation receivable	25	25
Membership receivable	-	220
Grant receivable	4,000	20,377
Other receivables	-	6,750
	4,025	27,372
Total trade and other receivables	4,025	27,435

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.

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 2021

7. Trade and other receivables (continued)

	2021 S$	2020 S$
Movement in allowance accounts:		
At 1 April	-	2,580
Allowance utilised	-	(2,580)
At 31 March	-	-

8. Cash and bank balances

	2021 S$	2020 S$
Cash on hand	2,979	5,445
Cash at banks	531,639	325,845
	534,618	331,290

9. Accumulated fund

	2021 S$	2020 S$
Balance at beginning of year	331,973	287,543
Surplus for the year	48,794	44,430
Balance at end of year	380,767	331,973

10. Accruals and other payables

	2021 S$	2020 S$
Accruals	19,527	4,570
Grant payable	37,975	-
Other payables	12	328
	57,514	4,898

Notes to the Financial Statements – 31 March 2021

11. Deferred income

	2021	2020
	S$	S$
Government grants	95,860	18,271
Membership subscriptions	13,752	14,683
	109,612	32,954
Non-current	6,216	5,102
Current	103,396	27,852
	109,612	32,954

Government grants refer to funding received under 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:

	2021	2020
	S$	S$
Balance at beginning of year	18,271	43,347
Grant received during the year	110,614	5,900
Recognised as income during the year	(33,025)	(51,353)
Reclassification to other receivables	-	20,377
Balance at end of year	95,860	18,271

12. 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:

	2021	2020
	S$	S$
Donation from committee members	310	1,540
Service fee paid to the Vice President	18,000	18,000

Notes to the Financial Statements – 31 March 2021

13. 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 that 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 and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

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

14. 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.

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.

Notes to the Financial Statements – 31 March 2021

14. Financial risk management (continued)

(a) Credit risk (continued)

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.

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.

Notes to the Financial Statements – 31 March 2021

14. Financial risk management (continued)

(a) Credit risk (continued)

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:

	Note	**Category**	**12-month or lifetime ECL**	**Gross carrying amount** S$	**Loss allowance** S$	**Net carrying amount** S$
31 March 2021						
Other receivables	7	I	12-month ECL	4,025	-	4,025
					-	
31 March 2020						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	63	-	63
Other receivables	7	I	12-month ECL	27,372	-	27,372
					-	

<u>**Trade receivables**</u> **(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.

Information regarding loss allowance movement of trade receivables is disclosed in Note 7.

For the year ended 31 March 2020, the Society has assessed the ECL on trade receivables to be insignificant.

Notes to the Financial Statements – 31 March 2021

14. Financial risk management (continued)

(a) Credit risk (continued)

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.

(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.

		2021	
	Carrying amount S$	**Contractual cash flows** S$	**One year or less** S$
Financial assets			
Trade and other receivables	4,025	4,025	4,025
Cash and bank balances	534,618	534,618	534,618
	538,643	538,643	538,643
Financial liabilities			
Accruals and other payables	57,514	57,514	57,514
Net undiscounted financial assets	481,129	481,129	481,129

Notes to the Financial Statements – 31 March 2021

14. Financial risk management (continued)

(b) Liquidity risk (continued)

	Carrying amount S$	2020 Contractual cash flows S$	One year or less S$
Financial assets			
Trade and other receivables	27,435	27,435	27,435
Cash and bank balances	331,290	331,290	331,290
	358,725	358,725	358,725
Financial liabilities			
Accruals and other payables	4,898	4,898	4,898
Net undiscounted financial assets	353,827	353,827	353,827

(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.

15. 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:

	2021 S$	2020 S$
Financial assets at amortised cost		
Trade and other receivables (Note 7)	4,025	27,435
Cash and bank balances (Note 8)	534,618	331,290
	538,643	358,725
Financial liabilities at amortised cost		
Accruals and other payables (Note 10)	57,514	4,898

Notes to the Financial Statements – 31 March 2021

16. 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.

17. Capital management

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

The Society's 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.

	2021 S$	2020 S$
Cash and bank balances	534,618	331,290
Accumulated fund	380,767	331,973

As of 31 March 2021, the ratio of reserves to recurring operating expenses and ratio of reserves to total expenses including project costs are 8.3 times (2020: 6.6 times) and 5.0 times (2020: 2.8 times) respectively. The Society's ratio of cash and bank balances to committed recurring operating expenses is 11.7 times (2020: 6.6 times).

18. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2021 were authorised for issue by the Management Committee on 23 August 2021.