

THE MALAY HERITAGE FOUNDATION LTD
Company Registration Number: 199904358R

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2015

CONTENTS

PAGE

Directors' Report	1 – 2
Statement by Directors	3
Independent Auditors' Report	4 – 5
Statement of Financial Position	6
Statement of Financial Activities	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 28

THE MALAY HERITAGE FOUNDATION LTD

Company Registration No.: 199904358R

DIRECTORS' REPORT

For the financial year ended 31 March 2015

The directors present their report to the members together with the financial statements of the Company for the financial year ended 31 March 2015.

1 DIRECTORS

The directors at the date of this report are:

Zuraidah Binte Abdullah
Dr Suriani Binti Suratman
Edwin Ignatious M
Muhammad Nazri Bin Muhd
Siti Habibah Binte Haji Siraj
Zahidi Bin Abd Rahman
Zuraida Binte Haji Mohamed Din

2 ARRANGEMENTS TO ENABLE THE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

The Company is limited by guarantee and has no share capital. As such, none of the directors holding office at the end of the financial year are a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares and debentures of the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Company is limited by guarantee. As such there are no share capital and debentures. None of the directors holding office at the end of the financial year is a member of the Company except for Zuraidah Binte Abdullah who is a director and also a member at the beginning and at the end of the financial year.

4 DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

5 SHARE OPTIONS

The Company is limited by guarantee. As such there are no share options or unissued shares under option.

THE MALAY HERITAGE FOUNDATION LTD

Company Registration No.: 199904358R

DIRECTORS' REPORT

For the financial year ended 31 March 2015

6 AUDITORS

The auditors, Helmi Talib & Co., have expressed their willingness to accept re-appointment as auditors.

On behalf of the directors



ZURAIDAH BINTE ABDULLAH

Director



ZURAIIDA BINTE HAJI MOHAMED DIN

Director

Date: 4 July 2015

THE MALAY HERITAGE FOUNDATION LTD

Company Registration No.: 199904358R

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2015

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015, the results of the business, changes in funds and cash flows of the Company for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



ZURAIDAH BINTE ABDULLAH
Director



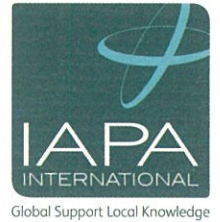
ZURAIDAH BINTE HAJI MOHAMED DIN
Director

Date: 4 July 2015



Helmi Talib & Co

Chartered Accountants of Singapore
An Independent Member Firm of IAPA



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE MALAY HERITAGE FOUNDATION LTD

Report on the Financial Statements

We have audited the accompanying financial statements of THE MALAY HERITAGE FOUNDATION LTD (the Company), which comprise the statement of financial position as at 31 March 2015, the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with those regulations; and
- (b) the use of donation money received is in accordance with the Company's objectives.

The Company did not have any fund-raising activity during the financial year.

Helmi Talib & Co.

HELMI TALIB & CO.
Public Accountants and
Chartered Accountants

Singapore

Date: 4 July 2015

STATEMENT OF FINANCIAL POSITION
As at 31 March 2015

	Note	<u>2015</u> SGD	<u>2014</u> SGD
Assets			
Current assets			
Cash and bank balances	5	2,300,817	2,564,886
Receivables	6	101,946	71,354
Total current assets		<u>2,402,763</u>	<u>2,636,240</u>
Non-current assets			
Heritage materials	7	49,772	49,772
Plant and equipment	8	142,243	185,447
Intangible asset	9	52,213	-
Investment – Held to maturity	10	2,039,757	1,777,904
Total non-current assets		<u>2,283,985</u>	<u>2,013,123</u>
Total assets		<u>4,686,748</u>	<u>4,649,363</u>
Liabilities and Funds			
Liabilities			
Current liabilities			
Payables	11	114,489	96,933
Deferred Grants	12	16,200	43,200
Total current liabilities		<u>130,689</u>	<u>140,133</u>
Total liabilities		<u>130,689</u>	<u>140,133</u>
Funds			
Unrestricted funds			
General fund		470,352	423,523
Total unrestricted funds		<u>470,352</u>	<u>423,523</u>
Restricted funds			
Heritage capital reserve		49,772	49,772
Endowment fund		4,035,935	4,035,935
Total restricted funds		<u>4,085,707</u>	<u>4,085,707</u>
Total funds	13	<u>4,556,059</u>	<u>4,509,230</u>
Total liabilities and funds		<u>4,686,748</u>	<u>4,649,363</u>

The accompanying notes form an integral part of these financial statements.

THE MALAY HERITAGE FOUNDATION LTD
Company Registration No.: 199904358R

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

	2015			2014
	Unrestricted Funds \$	Restricted Funds \$	Total \$	Total \$
INCOME				
Income from generated funds				
- Voluntary income	44,972	-	44,972	28,391
- Activities for generating funds	213,070	-	213,070	191,088
- Investment income	80,894	-	80,894	76,974
Income from charitable activities	151,748	-	151,748	10,800
Other income	7,198	-	7,198	3,496
TOTAL INCOME	497,882	-	497,882	310,749
EXPENDITURES				
Cost of generating funds	-	-	-	-
Cost of charitable activities	(415,734)	-	(415,734)	(266,928)
Governance costs	(35,319)	-	(35,319)	(31,440)
TOTAL EXPENDITURES	(451,053)	-	(451,053)	(298,368)
NET INCOME FOR THE FINANCIAL YEAR				
	46,829	-	46,829	12,381

The accompanying notes form an integral part of these financial statements.

THE MALAY HERITAGE FOUNDATION LTD
Company Registration No.: 199904358R

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 March 2015

	NOTE	<u>Total Funds</u> \$
Balance as at 31 March 2013	13	4,496,849
Net income for the financial year		12,381
Balance as at 31 March 2014	13	<hr/> 4,509,230
Net income for the financial year		46,829
Balance as at 31 March 2015		<hr/> <hr/> 4,556,059

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2015

	Note	<u>2015</u> SGD	<u>2014</u> SGD
Cash flows from (used in) operating activities			
Net income for the financial year		46,829	12,381
Adjustments for			
Operating grant		(151,748)	(10,800)
Interest income		(80,894)	(76,974)
Amortisation of premium (discount) on bonds		2,647	(5,397)
Amortisation of intangible asset		4,747	40,299
Depreciation of plant and equipment		47,876	-
Total adjustments to profit (loss) account		(177,372)	(52,872)
Total operating cash flows before movement of working capital		(130,543)	(40,491)
Changes in working capital			
Adjustments for (increase) decrease in receivables		(30,592)	114,635
Adjustments for decrease in payables		(9,444)	(2,047)
Total changes in working capital		(40,036)	112,588
Cash (used in) generated from operations		(170,579)	72,097
Net cash flows (used in) from operating activities		(170,579)	72,097
Cash flows from (used in) investing activities			
Acquisition of investment – held to maturity		(264,500)	(250,000)
Purchase of intangible asset		(56,960)	-
Interest received		80,894	73,574
Acquisition of plant and equipment		(4,672)	(4,109)
Net cash flows used in investing activities		(245,238)	(180,535)
Cash flows from (used in) financing activities			
Government grant received		151,748	10,800
Net cash flows from financing activities		151,748	10,800
Net decrease in cash and bank balances		(264,069)	(97,638)
Cash and bank balances at beginning of year		2,564,886	2,662,524
Cash and bank balances at end of year	5	2,300,817	2,564,886
Net cash flows			
Net cash flows (used in) from operating activities		(170,579)	72,097
Net cash flows used in investing activities		(245,238)	(180,535)
Net cash flows from financing activities		151,748	10,800

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

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

1 CORPORATE INFORMATION

The Company was incorporated in Singapore on 28 July 1999 as a company limited by guarantee without a share capital. Each ordinary member undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member and of the costs, charges and expenses of winding up, such amount as may be required but not exceeding \$1.

The Company is an approved Charity under the Charities Act, Cap. 37 with effect from 7 September 1999 and has been accorded the status of an Institution of Public Character (IPC) since 29 May 2006. The IPC status has been renewed for the period from 29 May 2014 to 28 May 2017. The IPC number is IPC000595.

The principal activities of the Company are to promote the study and research, and the public's understanding and knowledge, of the historical and socio-cultural developments of the Malay Community in Singapore.

The registered office and the principal place of business of the Company is located at 85 Sultan Gate, Singapore 198501.

The financial statements of the Company for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors as at the date of the Statement by Directors.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Companies Act (Cap. 50), the Charities Act (Chapter 37) and Singapore Financial Reporting Standards (FRS).

The Company has applied Charities Accounting Standards (CAS) for the presentation of the statement of financial activities which differs from FRS 1 presentation of Statement of Comprehensive Income.

The preparation of financial statements requires the use of estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the financial year. These estimates are based on directors' best knowledge of current events and actual results may ultimately differ from those estimates. The key estimates and judgements made that have a material effect are those relating to depreciation and amortisation.

The financial statements are expressed in Singapore Dollar (SGD or \$).

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

On 1 April 2014, the Company adopted the new and amended FRS and interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new and amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current financial year or prior financial year.

2.3 Standards issued but not yet effective

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

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
<i>Improvements to FRSs</i>		
Amendments to		
FRS 113	: Fair Value Measurement	1 July 2014
FRS 24	: Related party Disclosures	1 July 2014
FRS 16	: Property, Plant and Equipment	1 July 2014

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be SGD. Donation received, fees and major operating expenses are denominated in SGD.

2.6 Cash and bank balances

Cash and bank balances comprise of cash on hand and bank balances. Cash carried in the statement of financial position is classified and accounted for as loans and receivables under FRS 39.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets

(a) Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

(b) Regular way purchases and sales of financial assets

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

(c) Subsequent measurement

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

(i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

The Company classifies the following financial assets as loans and receivables:

- cash and bank balances
- receivables

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

(d) De-recognition

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

2.8 Impairment of financial assets

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

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company 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 Company 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 financial asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company 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.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.9 Heritage materials

Heritage materials purchased by the Company are capitalised and recognised in the statement of financial position at cost, where such cost is reasonably obtainable and reliable. Such items are not depreciated.

2.10 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment. The cost of plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated on a straight-line basis over their estimated useful lives of the assets as follows:

Office equipment	-	3 years
Furniture and fixtures	-	5 years
Computers	-	3 years
Renovation	-	8 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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 the statement of financial activities in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Web portal and Mobile application - 3 years

2.12 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or impairment, if no impairment loss has been recognised. All reversals of impairment are recognised in profit or loss.

2.13 Financial liabilities

(a) Initial recognition and measurement

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

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

(b) Subsequent measurement

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

(c) De-recognition

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Government grants

Grants utilised for the purchase of heritage materials are taken to the heritage capital reserve.

Government grants and contributions from other organisations to finance the current financial year's operating expenses are recognised as income in the same financial year when there is reasonable assurance that the grant will be received and the attaching conditions will be complied with. Government grants shall be recognised in statement of financial activities on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

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 resources embodying economic benefits 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.

2.16 Employee benefits

(a) *Defined contribution plan*

As required by law, the Company makes contributions to the state pension schemes, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees at the end of the reporting period.

2.17 Endowment fund

This is maintained for funds raised by the Company as well as dollar-for-dollar government matching grants up to \$2 million. Government matching grants are recorded on an accrual basis to match the funds raised by the Company. The Company may, at the discretion of its directors, use the Endowment Funds for any purposes, including for investment, provided that it is incidental, necessary, beneficial or conducive to the attainment of the objects of the Company as stated in the Memorandum of Association.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

(a) *Donations and corporate sponsorship*

Income from donations of individuals and corporate sponsorship are accounted for when received, except for committed donations and corporate cash sponsorship that are recorded when the commitments are signed.

(b) *Rental income*

Revenue arising from rental income from operating lease is recognised on a straight-line basis in accordance with substance of the relevant agreements.

(c) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

(d) *Programme income*

Revenue from heritage programmes and programme revenue are recognised when programmes are conducted.

2.19 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefit of ownership of the leased assets, are classified as operating leases.

(a) *As lessee*

Operating lease payments are charged to profit or loss on a straight line basis over the period of the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) *As lessor*

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.18(b). Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 March 2015

3 RELATED PARTY TRANSACTIONS

A related party includes the trustees/office bearers (that is, directors) and key management of the Company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The Board of Directors of the Company are considered as key management personnel.

The Company regards National Heritage Board (NHB) as a related party by virtue of common member.

It is not the practice for the directors/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Company for which they are responsible, or from institutions connected with the Company.

There is no compensation paid to the board of directors during the financial year (2014: NIL).

Significant related party transactions

	<u>2015</u>	<u>2014</u>
	\$	\$
<i>Related party, National Heritage Board (NHB)</i>		
Rental expense borne by NHB on behalf of the Company	2	2
NHB fee (Accrual)	18,332	26,235
Approved Heritage Project Grant – Warisan.SG	<u>-</u>	<u>54,000</u>

Memorandum of understanding (MOU)

The Company signed an MOU with NHB on 11 March 2009. In accordance with the MOU, NHB will provide for a one-time direct development grant to cover 95% of the development cost and will provide for funds to cover 99% of the recurring operating costs of the Malay Heritage Centre. The Company will contribute the remaining 1% of the operating cost which is paid to NHB as NHB fee.

Tenancy agreement

The tenancy agreement was entered between the Company and NHB on 1 December 2014 in respect of the property situated at 73 Sultan Gate Singapore 198497 and 85 Sultan Gate Singapore 198501 from 1 December 2014 to 30 November 2017 for an annual rent of \$2.

Heritage Project Grant – Warisan.SG

On 11 December 2013, the National Heritage Board (NHB) approved the Heritage Project Grant application of The Malay Heritage Foundation amounting to \$54,000. \$10,800 (20%) was received on the date the award was granted. The amount of \$27,000 was received on 3 October 2014. The remaining \$16,200 (30%) will only be processed upon the completion of stipulated project deliverables with the receipts and complete submission of an audited statement of accounts.

As at 31 March 2015, the amount due from NHB is \$16,200 (2014: \$43,200).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

2015	UNRESTRICTED FUNDS	RESTRICTED FUNDS			TOTAL
	General \$	Heritage Capital Reserve \$	Endowment Fund \$	Subtotal \$	\$
INCOME					
<i>Income from generated funds</i>					
<u>Voluntary income</u>					
Donations	44,972	-	-	-	44,972
	<u>44,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,972</u>
<u>Activities for generating funds</u>					
Rental income – Gedung Kuning (Fixed)	190,000	-	-	-	190,000
Rental income – Gedung Kuning (Variable)	23,070	-	-	-	23,070
	<u>213,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,070</u>
<u>Investment income</u>					
Interest income	80,894	-	-	-	80,894
	<u>80,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,894</u>
<i>Income from charitable activities</i>					
Events, programmes and heritage experience					
Operating grant	151,748	-	-	-	151,748
Sponsorships	-	-	-	-	-
	<u>151,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,748</u>
<i>Other income</i>					
Other income	7,198	-	-	-	7,198
TOTAL INCOME	497,882	-	-	-	497,882
EXPENDITURES					
<i>Costs of generating funds</i>					
<u>Cost of generating voluntary income</u>					
Allowance for doubtful debts	-	-	-	-	-
<u>Charitable activities</u>					
Community engagement and media relations	(144)	-	-	-	(144)
Donations & Sponsorship to community partners	(3,000)	-	-	-	(3,000)
Depreciation & Amortisation expense	(52,623)	-	-	-	(52,623)
Events, programmes - MHF Book/Publications of Heritage Series	(79,303)	-	-	-	(79,303)
Events, programmes - WARISAN.SG (Online Publication Project)	(70,765)	-	-	-	(70,765)
IT and telecommunication expenses	(2,463)	-	-	-	(2,463)
Miscellaneous	(21,808)	-	-	-	(21,808)
National Heritage Board fee	(18,332)	-	-	-	(18,332)
Repair and maintenance	(1,500)	-	-	-	(1,500)
Salaries, CPF and other benefits	(165,796)	-	-	-	(165,796)
	<u>(415,734)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(415,734)</u>
<u>Governance costs</u>					
Accounting fees	(22,256)	-	-	-	(22,256)
Audit fees	(6,367)	-	-	-	(6,367)
Bank charges	(142)	-	-	-	(142)
Legal and professional fees	(4,307)	-	-	-	(4,307)
Secretarial fees	(2,247)	-	-	-	(2,247)
	<u>(35,319)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,319)</u>
TOTAL EXPENDITURES	(451,053)	-	-	-	(451,053)
NET INCOME FOR THE FINANCIAL YEAR					
	<u>46,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,829</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

2014	UNRESTRICTED FUNDS	RESTRICTED FUNDS			TOTAL
	General \$	Heritage Capital Reserve \$	Endowment Fund \$	Subtotal \$	\$
INCOME					
<i>Income from generated funds</i>					
<u>Voluntary income</u>					
Donations	28,391	-	-	-	28,391
	<u>28,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,391</u>
<u>Activities for generating funds</u>					
Rental income – Gedung Kuning (Fixed)	177,000	-	-	-	177,000
Rental income – Gedung Kuning (Variable)	14,088	-	-	-	14,088
	<u>191,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,088</u>
<u>Investment income</u>					
Interest income	76,974	-	-	-	76,974
	<u>76,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,974</u>
<i>Income from charitable activities</i>					
Events, programmes and heritage experience	-	-	-	-	-
Operating grant	10,800	-	-	-	10,800
Sponsorships	-	-	-	-	-
	<u>10,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,800</u>
<i>Other income</i>					
Other income	3,496	-	-	-	3,496
TOTAL INCOME	310,749	-	-	-	310,749
EXPENDITURES					
<i>Costs of generating funds</i>					
<u>Cost of generating voluntary income</u>					
Allowance for doubtful debts	-	-	-	-	-
<i>Charitable activities</i>					
Community engagement and media relations	(1,000)	-	-	-	(1,000)
Donations & Sponsorship to community partners	(500)	-	-	-	(500)
Depreciation and amortisation	(40,299)	-	-	-	(40,299)
Events, programmes - MHF Book/Publications of Heritage Series	(36,933)	-	-	-	(36,933)
Events, programmes - WARISAN.SG (Online Publication Project)	-	-	-	-	-
IT and telecommunication expenses	(2,308)	-	-	-	(2,308)
Miscellaneous	(15,530)	-	-	-	(15,530)
National Heritage Board fee	(23,872)	-	-	-	(23,872)
Repair and maintenance	-	-	-	-	-
Salaries, CPF and other benefits	(146,486)	-	-	-	(146,486)
	<u>(266,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,928)</u>
<i>Governance costs</i>					
Accounting fees	(22,256)	-	-	-	(22,256)
Audit fees	(4,815)	-	-	-	(4,815)
Bank charges	(175)	-	-	-	(175)
Legal and professional fees	(2,108)	-	-	-	(2,108)
Secretarial fees	(2,086)	-	-	-	(2,086)
	<u>(31,440)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,440)</u>
TOTAL EXPENDITURES	(298,368)	-	-	-	(298,368)
NET INCOME FOR THE FINANCIAL YEAR	12,381	-	-	-	12,381

THE MALAY HERITAGE FOUNDATION LTD

Company Registration No.: 199904358R

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

5 CASH AND BANK BALANCES

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash in hand	160	27
Cash at banks	1,500,657	745,954
Fixed deposits	800,000	1,818,905
	<u>2,300,817</u>	<u>2,564,886</u>

Cash at banks are held in non-interest bearing accounts.

Fixed deposits earn interest at rates ranging from 1.10% to 2.00% (2014: 1.20% to 1.40%) per annum and have maturity periods ranging from 3 to 12 months.

For the purpose of the statement of cash flows, cash and bank balances are made up of the balances as shown above.

Cash and bank balances are denominated in Singapore Dollar.

6 RECEIVABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Rental income receivable	27,719	-
Heritage programmes receivable	2,772	2,772
Less: Allowance for doubtful debts	<u>(2,772)</u>	<u>(2,772)</u>
	27,719	-
Accrued income	49,465	-
Receivable from related party, NHB (Note 3)	16,200	43,200
Deposits	3,562	17,402
Interest receivables	3,420	7,081
Prepayments	1,580	3,671
	<u>101,946</u>	<u>71,354</u>
Total receivables (excluding prepayments)	100,366	67,683
Add: Cash and bank balances (Note 5)	<u>2,300,817</u>	<u>2,564,886</u>
Total loans and receivables	<u>2,401,183</u>	<u>2,632,569</u>

Amount due from related party is unsecured, interest-free and repayable on demand. This amount is to be settled in cash.

Receivables that are past due but not impaired

The Company has receivables amounting to \$27,719 (2014: NIL) that are past due but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
<u>Receivables that are past due</u>		
Less than 30 days	19,345	-
31 to 60 days	2,108	-
More than 60 days	6,266	-
	<u>27,719</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 March 2015

6 RECEIVABLES (Continued)

Receivables that are impaired

The Company has receivables amounting to \$2,772 (2014: \$2,772) that are individually determined to be impaired at the end of the reporting period and the movement of the allowance for doubtful debts on other receivable is as follows:

	<u>2015</u> \$	<u>2014</u> \$
Receivables – Nominal amounts	2,772	2,772
Less: Allowance for doubtful debts	<u>(2,772)</u>	<u>(2,772)</u>
	<u>-</u>	<u>-</u>
<i>Movement in allowance account</i>		
Balance at beginning of financial year	(2,772)	(2,772)
Allowance for the year	-	-
Recovered during the financial year	-	-
Written off during the financial year	-	-
Balance at end of financial year	<u>(2,772)</u>	<u>(2,772)</u>

Receivables that are individually determined to be impaired at the end of the reporting period relate to outstanding programme income as at the date of the report.

Receivables are denominated in Singapore Dollar.

7 HERITAGE MATERIALS

	<u>2015</u> \$	<u>2014</u> \$
<i>At cost</i>		
Balance at beginning and end of financial year	<u>49,772</u>	<u>49,772</u>

The heritage materials include the museum artifacts such as antique Malay magazines and documents, religious books and other objects which showcase heritage values and culture.

8 PLANT AND EQUIPMENT

	<u>Office equipment</u> \$	<u>Furniture & fixtures</u> \$	<u>Computers</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
Cost					
At 31.03.2013	934	108,194	5,696	191,625	306,449
Additions	-	2,880	1,229	-	4,109
At 31.03.2014	<u>934</u>	<u>111,074</u>	<u>6,925</u>	<u>191,625</u>	<u>310,558</u>
Additions	-	-	4,672	-	4,672
At 31.03.2015	<u>934</u>	<u>111,074</u>	<u>11,597</u>	<u>191,625</u>	<u>315,230</u>

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

8 PLANT AND EQUIPMENT (Continued)

	<u>Office equipment</u> \$	<u>Furniture & fixtures</u> \$	<u>Computers</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
Accumulated depreciation					
At 31.03.2013	583	27,048	4,191	52,990	84,812
Charge for the financial year	236	19,286	1,531	19,246	40,299
At 31.03.2014	819	46,334	5,722	72,236	125,111
Charge for the financial year	115	22,215	1,593	23,953	47,876
At 31.03.2015	934	68,549	7,315	96,189	172,987
Net carrying amount					
At 31.03.2014	115	64,740	1,203	119,389	185,447
At 31.03.2015	-	42,525	4,282	95,436	142,243

9 INTANGIBLE ASSET

	<u>Web Portal and mobile application</u> \$
Cost	
At 31.03.2013	-
Additions	-
At 31.03.2014	-
Additions	56,960
At 31.03.2015	59,960
Accumulated amortisation	
At 31.03.2013	-
Charge for the financial year	-
At 31.03.2014	-
Charge for the financial year	4,747
At 31.03.2015	4,747
Net carrying amount	
At 31.03.2014	-
At 31.03.2015	52,213

10 INVESTMENT – HELD TO MATURITY

	<u>2015</u> \$	<u>2014</u> \$
<u>Non-current</u> Bonds (quoted)	2,039,757	1,777,904

Financial assets classified as held-to-maturity investments are stated at amortised cost.

The quoted bonds are stated at amortised cost and have fair values amounting to \$2,049,250 (2014: \$1,759,563), with coupon rates ranging from 2.875% to 5.375% (2014: 2.875% to 4.25%) per annum and maturity dates ranging from 2016 to 2049.

Investments held-to-maturity are denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

11 PAYABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Rental security deposit	52,500	52,500
Accounts payable – external party	30,740	-
Accrued expenses	30,446	44,433
Others	803	-
	<u>114,489</u>	<u>96,933</u>
Total financial liabilities carried at amortised cost	<u>114,489</u>	<u>96,933</u>

Payables are denominated in Singapore Dollar.

12 DEFERRED GRANTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Deferred Grant	<u>16,200</u>	<u>43,200</u>

On 11 December 2013, the National Heritage Board (NHB) approved the Heritage Project Grant application of The Malay Heritage Foundation amounting to \$54,000. S\$10,800 (20%) was received on the date the award was granted. The amount of \$27,000 was received on 3 October 2014. The remaining \$16,200 (30%) will only be processed upon the completion of stipulated project deliverables with the receipts and complete submission of an audited statement of accounts.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 March 2015

13 FUNDS

	UNRESTRICTED FUNDS	RESTRICTED FUNDS			TOTAL
	General Fund \$	Heritage Capital Reserve \$	Endowment Fund \$	Subtotal \$	\$
Balance at 31 March 2013	411,142	49,772	4,035,935	4,085,707	4,496,849
Net income for the financial year	12,381	-	-	-	12,381
Balance at 31 March 2014	423,523	49,772	4,035,935	4,085,707	4,509,230
Net income for the financial year	46,829	-	-	-	46,829
Balance at 31 March 2015	470,352	49,772	4,035,935	4,085,707	4,556,059

(a) *Heritage capital reserve*

The Heritage capital reserve comprises grants received and utilised for the purchase of heritage materials.

(b) *Endowment Fund*

The Endowment fund is maintained for funds raised by the Company as well as dollar-for-dollar government matching grants up to \$2 million. The Company may, at the discretion of its directors, use the Endowment Funds for any purposes, including for investments, provided that it is incidental, necessary, beneficial or conducive to the attainment of the objects of the Company as stated in the Memorandum of Association.

THE MALAY HERITAGE FOUNDATION LTD

Company Registration No.: 199904358R

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

14 INCOME TAX

The Company is a registered Charity and its income is exempted from income tax.

15 TAX-EXEMPT RECEIPTS

During the financial year, the Company issued tax-exempt receipts for donations collected amounting to \$34,600 (2014: \$28,391).

16 OPERATING LEASE COMMITMENTS

(a) As lessee

The Company has renewed lease agreements with National Heritage Board for the lease of 73 Sultan Gate, Singapore 198497 and 85 Sultan Gate, Singapore 198501 from 1 December 2014 to 30 November 2017 for annual rent of \$2.

(b) As lessor

The Company has entered into non-cancellable operating lease commitments as a lessor on the premises at 73 Sultan Gate, Singapore 198497. The lease has a renewed tenure commencing from 1 December 2014 to 29 November 2017.

The lessee is required to pay fixed annual increase to the lease payments and contingent rents computed based on their gross sales achieved during the lease period. The lease has renewal term for another 3 years.

The receivable non-cancellable operating leases as of 31 March are as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Within one financial year	204,000	125,000
Within two to five financial years	340,000	-
	<u>544,000</u>	<u>125,000</u>

17 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Company has no foreign currency risk and market price risk. The board policies for managing these risks are summarised below.

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

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and bank balances, receivables and investment – held to maturity.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

17 FINANCIAL INSTRUMENTS (Continued)

(a) *Financial risk management objectives and policies* (Continued)

Credit risk (Continued)

Exposure to credit risk

The carrying amount of cash and bank balances, receivables and investment – held to maturity represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Company has no concentration of credit risk with any single counterparty.

Financial assets that are neither past due nor impaired

Receivables that are neither past due nor impaired are receivables with good payment record with the Company. Cash and bank balances and investment – held to maturity that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 to the financial statements.

Liquidity risk

In the management of liquidity risk, the management monitors and maintains a level of cash and bank balance deemed adequate by the management to meet its operating expense at all time.

At the end of the reporting period, the Company has non-derivative financial liabilities that are payables amounting to \$114,489 (2014: \$96,933) which will mature within 1 year or less.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises from interest bearing fixed deposits.

The Company's fixed deposits have interest rates ranging from 1.10% to 2.00% (2014: 1.20% to 1.40%) per annum.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rate risk had been 100 basis points lower/higher with all other variables held constant, the Company's net surplus after tax would have been \$8,000 (2014: \$18,189) lower/higher arising mainly as a result of a lower/higher interest income on fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

17 FINANCIAL INSTRUMENTS (Continued)

(b) *Fair values of financial assets and financial liabilities*

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amounts of those assets and liabilities, as these are short term in nature except for investment held-to-maturity.

Investment – Held to maturity

Fair value is determined directly by reference to their published market bid price at the end of the reporting period.

18 MANAGEMENT OF RESERVES

The Company regards its unrestricted general fund as its reserves. The Company's reserve policy requires it to maintain sufficient reserve to ensure long term financial sustainability and continuity for the purpose of operating effective programmes. This includes transfer between funds.

The Company's overall strategy remains unchanged from the previous financial year.

The Company is not subject to any externally imposed capital requirements.