

**THE MALAY HERITAGE FOUNDATION LTD**

*Company Registration Number: 199904358R*

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2019

**DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2019*

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The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2019.

**1 OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (i) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial activities, changes in funds and cash flows of the Company for the financial year ended on that date; and
- (ii) 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.

**2 DIRECTORS**

The directors at the date of this statement are:

Dr Norshahril Bin Saat  
Alwi Bin Abdul Hafiz  
Dr Azhar Bin Ibrahim  
Edwin Ignatious M  
Dr Lai Ah Eng  
Rahayu Binti Buang  
Siti Habibah Binte Haji Siraj  
Zafilin Bin Abdul Hamid  
Zhulkarnain Bin Abdul Rahim  
Zuraida Binte Haji Mohamed Din  
Alvin Tan Tze Ee (Appointed on 1 October 2018)

**3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR 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 or debentures of the Company or any other body corporate.

**4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

The Company is limited by guarantee. As such there are no share capital or debentures. None of the directors holding office at the end of the financial year is a member of the Company.

**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' STATEMENT**

*For the financial year ended 31 March 2019*

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**6 AUDITORS**

Helmi Talib & Co, has expressed its willingness to accept re-appointment as auditors.

On behalf of the directors



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**DR NORSHAHRI BIN SAAT**

Director



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**ZURAIDA BINTE HAJI MOHAMED DIN**

Director

Date: 25 JUL 2019



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF THE MALAY HERITAGE FOUNDATION LTD**

***Report on the Audit of the Financial Statements***

*Opinion*

We have audited the financial statements of THE MALAY HERITAGE FOUNDATION LTD. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, the statement of financial activities, statement of changes in funds 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 Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial activities, changes in funds and cash flows of the Company 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 Company 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 Directors' Statement set out on pages 1 to 2.

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 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 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.

## *Responsibilities of Management and Those Charged with Governance for Financial Statements (Continued)*

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

## *Auditors' 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 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 Company'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 Company'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 Company 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.

We communicate with the directors 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 by the above regulations to be kept by the Company have been properly kept in accordance with the provisions of those regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the use of the donation moneys was not in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.



**HELMI TALIB & CO**  
Public Accountants and  
Chartered Accountants

Singapore

Date: 25 JUL 2019

Partner-in-charge : Suriyati binti Mohamed Yusof  
PAB No. : 01627

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

**STATEMENT OF FINANCIAL POSITION**  
*As at 31 March 2019*

	Note	<u>2019</u> \$	<u>2018</u> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,922,863	2,952,508
Receivables	8	63,756	67,272
Total current assets		<u>1,986,619</u>	<u>3,019,780</u>
<b>Non-current assets</b>			
Heritage materials	9	-	49,772
Plant and equipment	10	28,387	27,376
Intangible asset	11	-	-
Investments	12	2,800,342	1,787,759
Total non-current assets		<u>2,828,729</u>	<u>1,864,907</u>
<b>Total assets</b>		<u>4,815,348</u>	<u>4,884,687</u>
<b>Liabilities and Funds</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	13	154,746	288,837
Contract liabilities	6	10,500	-
Total current liabilities		<u>165,246</u>	<u>288,837</u>
Total liabilities		<u>165,246</u>	<u>288,837</u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
General fund	14	614,167	510,143
Total unrestricted funds		<u>614,167</u>	<u>510,143</u>
<b>Restricted funds</b>			
Heritage capital reserve	14	-	49,772
Endowment fund	14	4,035,935	4,035,935
Total restricted funds		<u>4,035,935</u>	<u>4,085,707</u>
Total funds		<u>4,650,102</u>	<u>4,595,850</u>
<b>Total liabilities and funds</b>		<u>4,815,348</u>	<u>4,884,687</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 2019*

	Note	2019		2018
		Unrestricted Funds \$	Restricted Funds \$	Total \$
<b>INCOME</b>				
Income from generated funds				
- Voluntary income		20,430	-	11,760
- Activities for generating funds		259,804	-	230,229
- Investment income		100,828	-	82,620
Income from charitable activities		10,410	-	43,280
Other income		1,392	-	4,367
<b>TOTAL INCOME</b>	5,6	<u>392,864</u>	<u>-</u>	<u>372,256</u>
<b>EXPENDITURES</b>				
Cost of charitable activities		(254,593)	(49,772)	(334,957)
Governance costs		(34,247)	-	(34,889)
<b>TOTAL EXPENDITURES</b>	5	<u>(288,840)</u>	<u>(49,772)</u>	<u>(369,846)</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>	5	<u>104,024</u>	<u>(49,772)</u>	<u>2,410</u>

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 2019*

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	<b>Note</b>	<u>Total Funds</u> \$
Balance as at 31 March 2017	14	4,593,440
Net income for the financial year		2,410
Balance as at 31 March 2018	14	<u>4,595,850</u>
Net income for the financial year		54,252
Balance as at 31 March 2019	14	<u><u>4,650,102</u></u>

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

**STATEMENT OF CASH FLOWS**

*For the financial year ended 31 March 2019*

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Net income for the financial year	5	54,252	2,410
<b>Adjustments for</b>			
Impairment loss on heritage materials		49,772	-
Depreciation of plant and equipment		19,839	23,572
Amortisation of intangible asset		-	14,241
Operating grant		(10,410)	(43,280)
Discount on amortisation of bonds		(12,583)	(7,571)
Interest income		(100,828)	(82,620)
Total adjustments to profit or loss		(54,210)	(95,658)
Total operating cash flows before movement of working capital		42	(93,248)
<b>Changes in working capital</b>			
Decrease in receivables		7,537	153,151
(Decrease) / Increase in payables		(134,091)	180,577
Increase in contract liabilities		10,500	-
Total changes in working capital		(116,054)	333,728
Cash (used in) / generated from operations		(116,012)	240,480
Net cash flows (used in) / generated from operating activities		(116,012)	240,480
<b>Cash flows from investing activities</b>			
Interest received		95,437	80,259
Proceeds from sale of investment – held to maturity		-	250,000
Acquisition of plant and equipment		(20,850)	-
Purchase of investment – held to maturity		(1,000,000)	(500,000)
Net cash flows used in investing activities		(925,413)	(169,741)
<b>Cash flows from financing activities</b>			
Government grant received		11,780	6,150
Net cash flows generated from financing activities		11,780	6,150
Net (decrease) / increase in cash and cash equivalents		(1,029,645)	76,889
Cash and cash equivalents at beginning of financial year		2,952,508	2,875,619
Cash and cash equivalents at end of financial year	7	1,922,863	2,952,508
<b>Net cash flows</b>			
Net cash flows (used in) / generated from operating activities		(116,012)	240,480
Net cash flows used in investing activities		(925,413)	(169,741)
Net cash flows generated from financing activities		11,780	6,150

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

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2019*

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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, (Chapter 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 2017 to 28 May 2020. 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 2019 were authorised for issue in accordance with a resolution of the directors as at the date of the Directors' Statement.

**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 Financial Reporting Standards in Singapore (FRSs).

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 Profit or Loss and Other Comprehensive Income.

The financial statements are presented in Singapore Dollar (\$), which is the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2018. Except for the adoption of FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

*(a) FRS 109 Financial Instruments*

The Company applied FRS 109 retrospectively, with an initial application date of 1 January 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

The nature of the adjustments is described below:

Classification and measurement

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

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

FRS 109 requires all equity instruments to be carried at fair value through profit or loss, unless the Company chooses on initial recognition, to present fair value changes in other comprehensive income.

The following are the changes in the classification and measurement of the Company's financial assets:

- Certain quoted debt securities classified as held to maturity financial assets as at 31 March 2018 were classified and measured as financial assets at amortised cost beginning 1 January 2018. These investment securities were also measured at amortised cost under FRS 39. There is no impact in the balances as a result of the changes in classification as at 1 January 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
 For the financial year ended 31 March 2019

**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.2 Adoption of new and amended standards and interpretations (Continued)**

*(a) FRS 109 Financial Instruments (Continued)*

	FRS 39 measurement category	FRS 109 measurement category Amortised cost
	\$	\$
<u>Held to maturity</u>		
Quoted debt securities	1,787,759	1,787,759

Impairment

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. Upon adoption of FRS 109, the Company did not have any impact on the impairment of its financial assets.

*(b) FRS 115 Revenue from contracts with customers*

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

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

The adoption of FRS 115 did not have a material impact on the net income of the Company and on the Company's operating, investing and financing cash flows.

**2.3 Standards issued but not yet effective**

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 116 : Leases	1 January 2019
INT FRS 123 : Uncertainty over Income Tax Treatments	1 January 2019

Except for the FRS 116, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the FRS 116 are described below.

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2019*

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.3 Standards issued but not yet effective (Continued)**

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the beginning funds at the date of initial application, 1 January 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Company plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 116 in 2019.

On the adoption of FRS 116, the Company expects to recognise right-of-use assets of \$4,731 and lease liabilities of \$5,045 for its leases previously classified as operating leases, with a corresponding decrease in the beginning funds of \$291 as of 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.4 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.

2.5 Financial instruments

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

(a) Financial assets

*Initial recognition and measurement*

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

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

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

*Subsequent measurement*

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 amortisation process.

*Derecognition*

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

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2019*

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.5 Financial instruments (Continued)**

*These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018: (Continued)*

**(b) Financial liabilities**

*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.

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

*Subsequent measurement*

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 derecognised, and through the amortisation process.

*Derecognition*

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

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

**(a) *Financial assets***

*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.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

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

(a) *Financial assets* (Continued)

*Subsequent measurement*

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

*Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment.

Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

- cash and cash equivalents
- receivables, excluding prepayments

*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.

*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.

*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.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Financial instruments (Continued)

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

(b) *Financial liabilities*

*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.

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

*Subsequent measurement*

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.

Financial liabilities include other payables, excluding deferred interest income and rental received in advance.

*Derecognition*

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, fixed deposits and bank balances which are subject to an insignificant risk of changes in value. Cash and cash equivalents carried in the statement of financial position is classified and accounted for as financial asset at amortised cost under FRS 109.

Before the initial application of FRS 109 on 1 January 2018, cash and cash equivalents is classified and accounted for as loans and receivables under FRS 39.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.7 Impairment of financial assets

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

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

*Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether there is 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 assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.7 Impairment of financial assets (Continued)**

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

When the financial asset becomes uncollectible, the carrying amount of impaired financial assets 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 value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**2.8 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.

**2.9 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:

		<u>Years</u>
Computers	-	3
Office equipment	-	3
Furniture and fixtures	-	5
Renovation	-	8

Asset under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.9 Plant and equipment (Continued)**

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.

**2.10 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

**2.11 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company 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

**2.12 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.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.13 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.

2.14 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.

2.15 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.

2.16 Income recognition

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.16 Income recognition (Continued)

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

(a) *Donations income*

Donation income are donations from individuals and corporations and are accounted for at the point in time when the amounts are received, except for committed donations, which are accounted for when the commitments are signed.

(b) *Corporate sponsorship income*

Corporate sponsorships are accounted for at the point in time when the sponsorship or commitments are signed.

(c) *Rental income*

Rental income are revenue arising from operating lease is recognised on a straight-line basis over time in accordance with the substance of the relevant agreements.

(d) *Programme income*

Revenue from heritage programmes and programme revenue are recognised at the point in time when programmes are conducted.

(e) *Interest income*

Interest income from held-to-maturity is recognised over time on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset

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

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable, taking into account contractually deferred terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the financial year ended 31 March 2019

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**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.16 Income recognition (Continued)

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

(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.

2.17 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 2.17. Contingent rents are recognised as revenue in the period in which they are earned.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Company's financial statements requires management to make judgements, 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.

3.1 Judgements made in applying accounting policies

The management is of the opinion that there are no significant judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

3.2 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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

*Useful lives of plant and equipment and intangible asset*

The useful life of an item of plant and equipment and intangible asset 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 Company's plant and equipment and intangible asset as at 31 March 2019 were \$28,387 (2018: \$27,376) and NIL (2018: \$NIL), respectively.

**4 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 (2018: NIL) compensation paid to the board of directors during the financial year.

*Significant related party transactions*

	<u>2019</u>	<u>2018</u>
	\$	\$
<i>Related party, National Heritage Board (NHB)</i>		
Rental expense borne by NHB on behalf of the Company	2	2
NHB fee (Accrual)	<u>32,342</u>	<u>31,283</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.

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2019*

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**4 RELATED PARTY TRANSACTIONS (Continued)**

*Significant related party transactions (Continued)*

*Tenancy agreement*

The tenancy agreement was entered between the Company and NHB on 1 December 2017 in respect of the property situated at 73 Sultan Gate Singapore 198497 and 85 Sultan Gate Singapore 198501 from 1 December 2017 to 30 November 2020 for an annual rent of \$2.

*Heritage Project Grant – Enhancement of Kampong Gelam Heritage Trail with Heritage Markers*

National Heritage Board (NHB) had approved the Heritage Project Grant application of The Malay Heritage Foundation on 27 Jan 2017. The first tranche payment of \$10,140, being first 10%, was paid on 1 Mar 2017. Subsequent disbursements will be based on the completion of the project requirements.

There is no grant received from NHB during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

<u>2019</u>	<u>UNRESTRICTED FUNDS</u>	<u>RESTRICTED FUNDS</u>	<u>TOTAL</u>
	<u>General</u>		
	\$	\$	\$
<b>INCOME</b>			
<i>Income from generated funds</i>			
<u>Voluntary income</u>			
Donations – Tax-Exempt	20,430	-	20,430
	<u>20,430</u>	<u>-</u>	<u>20,430</u>
<u>Activities for generating funds</u>			
Rental income – Gedung Kuning (Fixed)	252,000	-	252,000
Rental income – Gedung Kuning (Variable)	7,804	-	7,804
	<u>259,804</u>	<u>-</u>	<u>259,804</u>
<u>Investment income</u>			
Interest income from investments at amortised cost	81,026	-	81,026
Interest income from cash and cash equivalents	19,802	-	19,802
	<u>100,828</u>	<u>-</u>	<u>100,828</u>
<i>Income from charitable activities</i>			
Operating grant	10,410	-	10,410
	<u>10,410</u>	<u>-</u>	<u>10,410</u>
<i>Other income</i>			
Sundry income	1,001	-	1,001
Book Sales	391	-	391
	<u>1,392</u>	<u>-</u>	<u>1,392</u>
<b>TOTAL INCOME</b>	<u>392,864</u>	<u>-</u>	<u>392,864</u>
<b>EXPENDITURES</b>			
<i>Cost of charitable activities</i>			
Corporate planning	(1,935)	-	(1,935)
Impairment loss on heritage materials	-	(49,772)	(49,772)
Depreciation and amortisation expense	(19,839)	-	(19,839)
Events, programmes – Enhancement of Kg Gelam			
Heritage Trail with Heritage Markers	(2,244)	-	(2,244)
Events, programmes – Internship	(15,540)	-	(15,540)
Events, programmes - Project fee	-	-	-
Events, programmes - Web portal maintenance	(5,450)	-	(5,450)
IT and telecommunication expenses	(2,809)	-	(2,809)
Miscellaneous	(19,763)	-	(19,763)
National Heritage Board fee	(32,342)	-	(32,342)
Rental - Photocopier machine	(2,311)	-	(2,311)
Repair and maintenance	(643)	-	(643)
Salaries, CPF and other benefits	(133,517)	-	(133,517)
Community engagement and sponsorships	(18,200)	-	(18,200)
	<u>(254,593)</u>	<u>(49,772)</u>	<u>(304,365)</u>
<i>Governance costs</i>			
Audit fees	(6,741)	-	(6,741)
Accounting fees	(22,256)	-	(22,256)
Bank charges	(274)	-	(274)
Secretarial fees	(2,889)	-	(2,889)
Payroll fees	(2,087)	-	(2,087)
	<u>(34,247)</u>	<u>-</u>	<u>(34,247)</u>
<b>TOTAL EXPENDITURES</b>	<u>(288,840)</u>	<u>(49,772)</u>	<u>(338,612)</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>	<u>104,024</u>	<u>(49,772)</u>	<u>54,252</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

<u>2018</u>	<u>UNRESTRICTED FUNDS</u>	<u>RESTRICTED FUNDS</u>	<u>TOTAL</u>
	<u>General</u>		
	\$	\$	\$
<b>INCOME</b>			
<i>Income from generated funds</i>			
<u>Voluntary income</u>			
Donations – Tax-Exempt	11,760	-	11,760
	<u>11,760</u>	<u>-</u>	<u>11,760</u>
<u>Activities for generating funds</u>			
Rental income – Gedung Kuning (Fixed)	220,000	-	220,000
Rental income – Gedung Kuning (Variable)	10,229	-	10,229
	<u>230,229</u>	<u>-</u>	<u>230,229</u>
<u>Investment income</u>			
Interest income from investments at held to maturity	60,426	-	60,426
Interest income from cash and cash equivalents	22,194	-	22,194
	<u>82,620</u>	<u>-</u>	<u>82,620</u>
<i>Income from charitable activities</i>			
Operating grant	43,280	-	43,280
	<u>43,280</u>	<u>-</u>	<u>43,280</u>
<i>Other income</i>			
Sundry income	3,514	-	3,514
Book Sales	853	-	853
	<u>4,367</u>	<u>-</u>	<u>4,367</u>
<b>TOTAL INCOME</b>	<b><u>372,256</u></b>	<b><u>-</u></b>	<b><u>372,256</u></b>
<b>EXPENDITURES</b>			
<i>Cost of charitable activities</i>			
Corporate planning	(1,170)	-	(1,170)
Depreciation and amortisation expense	(37,813)	-	(37,813)
Events, programmes - Design for Heritage Markers			
Kampong Glam Conservation	(20,850)	-	(20,850)
Events, programmes – Intern	(59,701)	-	(59,701)
Events, programmes - Project fee	(7,872)	-	(7,872)
Events, programmes - Web portal maintenance	(8,080)	-	(8,080)
IT and telecommunication expenses	(2,789)	-	(2,789)
Miscellaneous	(25,345)	-	(25,345)
National Heritage Board fee	(31,285)	-	(31,285)
Rental - Photocopier machine	(2,311)	-	(2,311)
Repair and maintenance	(5,226)	-	(5,226)
Salaries, CPF and other benefits	(132,515)	-	(132,515)
	<u>(334,957)</u>	<u>-</u>	<u>(334,957)</u>
<i>Governance costs</i>			
Accounting fees	(22,256)	-	(22,256)
Audit fees	(6,955)	-	(6,955)
Bank charges	(274)	-	(274)
Secretarial fees	(3,317)	-	(3,317)
Payroll fees	(2,087)	-	(2,087)
	<u>(34,889)</u>	<u>-</u>	<u>(34,889)</u>
<b>TOTAL EXPENDITURES</b>	<b><u>(369,846)</u></b>	<b><u>-</u></b>	<b><u>(369,846)</u></b>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>	<b><u>2,410</u></b>	<b><u>-</u></b>	<b><u>2,410</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

6 INCOME

(a) Disaggregation of income

	<u>2019</u> SGD	<u>2018</u> SGD
<u>Type of good or service</u>		
Donations and operating grant	30,840	55,040
Rental income	259,804	230,229
Interest income	100,828	82,620
Other income	1,392	4,367
	<u>392,864</u>	<u>372,256</u>
<u>Timing of transfer of good or service</u>		
Over time	360,632	230,229
At a point in time	32,232	59,407
	<u>392,864</u>	<u>289,636</u>

(b) Judgement and methods used in estimating income

The management is of the opinion that there are no significant judgements were made in estimating income.

(c) Contract liabilities

Information about contract liabilities from contracts with customers is disclosed as follows:

	<u>31 March</u> <u>2019</u> \$	<u>1 April</u> <u>2018</u> \$	<u>31 March</u> <u>2018</u> \$
Contract liabilities	<u>10,500</u>	<u>105,000</u>	-

Contract liabilities relate to rental received in advance from its tenant for the lease of premises at 73 Sultan Gate, Singapore 198497.

Contract liabilities are recognised as revenue over the lease term.

Significant changes in contract liabilities are explained as follows:

	<u>2019</u> SGD
Rental received in advance recognised as revenue during the year	<u>94,500</u>

No information was provided for 2017 with regards to significant changes in contract assets and contract liabilities as the Company has only started adopting FRS 115 on 1 April 2018, and it has used the modified retrospective method for its transition to FRS 115, which allows the Company to make a retrospective adjustment on the impact of the transition to prior year figures in 1 April 2018 beginning funds

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

6 INCOME (Continued)

(d) Transaction price allocated to remaining performance obligations

No revenue related to performance obligations which were unsatisfied were recognised at the reporting date.

The Company applies the practical expedient in paragraph 121 of FRS 115 and does not disclose information about its remaining performance obligations if:

- (i) the performance obligation is part of a contract that has an original expected duration of one year or less; or
- (ii) the Company has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

7 CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
	\$	\$
Fixed deposits	1,274,280	1,725,207
Cash at banks	648,383	1,227,101
Cash on hand	200	200
	<u>1,922,863</u>	<u>2,952,508</u>

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

Fixed deposits earn interest at rates ranging from 0.70% to 2.10% (2018: 0.70% to 2.05%) per annum and have maturity periods ranging from 3 to 60 months (2018: 3 to 24 months).

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

Cash and cash equivalents are denominated in Singapore Dollar.

8 RECEIVABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Accrued income on government grants	35,760	41,980
Interest receivables	23,164	17,773
Deposits	3,162	3,162
Prepayments	1,670	4,069
Other debtors	-	288
	<u>63,756</u>	<u>67,272</u>
Total receivables (excluding prepayments)	62,086	63,203
Add: Cash and cash equivalents (Note 7)	1,922,863	2,952,508
Add: Investments (Note 12)	2,800,342	1,787,759
Total financial assets at amortised cost	<u>4,785,291</u>	<u>4,803,470</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

8 RECEIVABLES (Continued)

Expected credit losses

As at 31 March 2019, the Company has no expected credit losses.

Receivables that are past due and impaired

As at 31 March 2018, the Company has no receivables that are past due and impaired at the end of the reporting period.

Receivables are denominated in Singapore Dollar.

9 HERITAGE MATERIALS

	<u>Heritage materials</u>
	\$
<b>Cost</b>	
At 31.03.2017, at 31.03.2018 and at 31.03.2019	49,772
<b>Accumulated impairment</b>	
At 31.03.2017 and 31.03.2018	-
Charge for the financial year	49,772
At 31.03.2019	49,772
<b>Net carrying amount</b>	
At 31.03.2018	49,772
At 31.03.2019	-

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.

10 PLANT AND EQUIPMENT

	<u>Computers</u>	<u>Office equipment</u>	<u>Furniture &amp; fixtures</u>	<u>Renovation</u>	<u>Asset under construction</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 31.03.2017 and at 31.03.2018	13,714	934	111,074	191,625	-	317,347
Additions	-	-	-	-	20,850	20,850
At 31.03.2019	13,714	934	111,074	191,625	20,850	338,197
<b>Accumulated depreciation</b>						
At 31.03.2017	11,255	934	110,115	144,095	-	266,399
Charge for the financial year	1,225	-	575	21,772	-	23,572
At 31.03.2018	12,480	934	110,690	165,867	-	289,971
Charge for the financial year	705	-	384	18,750	-	19,839
At 31.03.2019	13,185	934	111,074	184,617	-	309,810
<b>Net carrying amount</b>						
At 31.03.2018	1,234	-	384	25,758	-	27,376
At 31.03.2019	529	-	-	7,008	20,850	28,387

Assets under construction pertains to enhancement of Kampong Gelam heritage trail with heritage markers which are being built at the precinct.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

11 INTANGIBLE ASSET

	<u>Web portal and mobile application</u> \$
<b>Cost</b>	
At 31.03.2017, at 31.03.2018 and at 31.03.2019	56,960
<b>Accumulated amortization</b>	
At 31.03.2017	42,719
Charge for the financial year	14,241
At 31.03.2018 and at 31.03.2019	56,960
<b>Net carrying amount</b>	
At 31.03.2018	-
At 31.03.2019	-

12 INVESTMENTS

(a) Investments as at 31 March 2019

	<u>2019</u> \$
<i>Financial assets at amortised cost</i>	
<b><u>Non-Current Asset</u></b>	
Quoted debt instruments	2,800,342

(b) Investments as at 31 March 2018

	<u>2018</u> \$
<i>Investments at held to maturity</i>	
<b><u>Non-Current Asset</u></b>	
Quoted debt instruments	1,787,759

As at 31 March 2019, the quoted bonds have fair values amounting to \$2,765,581 (2018: \$1,757,910), with coupon rates ranging from 2.950% to 4.25% (2018: 2.950% to 4.250%) per annum and maturity dates ranging from 2022 to 2167 (2018: 2022 to 2049).

The movement of investments during the financial year is as follows:

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of financial year	1,787,759	1,530,188
Purchases during the financial year	1,000,000	500,000
Disposals during the financial year	-	(250,000)
Net discount on bond purchased during the year	17,000	23,000
Net amortisation on discount - bond securities	(4,417)	(15,429)
Balance at end of financial year	2,800,342	1,787,759

Investments are denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

13 PAYABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Rental security deposit	50,895	126,000
Accrued expenses	49,667	50,219
Accounts payable – external party	48,021	1,962
Deferred interest income	3,106	2,598
Rental received in advance	-	105,000
Others	3,057	3,058
	<u>154,746</u>	<u>288,837</u>
Total financial liabilities carried at amortised cost (excluding deferred interest income and rental received in advance)	<u>151,640</u>	<u>181,239</u>

Payables are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2018

14 FUNDS

	UNRESTRICTED FUNDS	RESTRICTED FUNDS			TOTAL
	General Fund \$	Heritage Capital Reserve \$	Endowment Fund \$	Subtotal \$	\$
Balance at 31 March 2017	507,733	49,772	4,035,935	4,085,707	4,593,440
Net income for the financial year	2,410	-	-	-	2,410
Balance at 31 March 2018	510,143	49,772	4,035,935	4,085,707	4,595,850
Net income for the financial year	104,024	(49,772)	-	(49,772)	54,252
Balance at 31 March 2019	614,167	-	4,035,935	4,035,935	4,650,102

(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 Constitution.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

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15 INCOME TAX

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

16 TAX-EXEMPT RECEIPTS

During the financial year, the Company issued tax-exempt receipts for donations collected amounting to \$20,430 (2018: \$11,760).

17 OPERATING LEASE COMMITMENTS

(a) As lessee

- (i) 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 2017 to 30 November 2020 for annual rent of \$2.
- (ii) The Company has also entered into non-cancellable operating lease commitments as a lessee on its photocopier machine.

The lease of the photocopier machine has a tenure of 5 years.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2019 amounted to \$2,311 (2018: \$2,311).

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Within one financial year	2,160	2,160
Within two to five financial years	4,740	6,900
	<u>6,900</u>	<u>9,060</u>

(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 commenced from 30 November 2017 and was terminated on 31 March 2019. A new lease commencing 16 April 2019 to 30 November 2020 was awarded to a lessee (Note 20).

The lessee for the financial ended 31 March 2019 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 lessee for the new lease is required to pay fixed monthly lease payments. The lease has renewal term for another 3 years.

Rental income and contingent rent income recognised in profit or loss for the financial year ended 31 March 2019 amounted to \$252,000 (2018: \$220,000) and \$7,804 (2018: \$10,229) respectively.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

17 OPERATING LEASE COMMITMENTS (Continued)

(b) As lessor (continued)

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

	<u>2019</u>	<u>2018</u>
	\$	\$
Within one financial year	-	147,000
Within two to five financial years	-	420,000
	<u>-</u>	<u>567,000</u>

18 FINANCIAL INSTRUMENTS

(a) *Financial risk management objectives and policies*

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk (including foreign currency risk). The Company has no interest rate risk and market price risk.

The director review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company'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 Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

The Company 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 Company 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 1 year, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

18 FINANCIAL INSTRUMENTS (Continued)

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

*Credit risk* (Continued)

To minimise credit risk, the Company has developed and maintained the Company'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 Company's own trading records to rate its major customers and other debtors. The Company 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 Company 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

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL or Lifetime ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >1 year past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
Write-off	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

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

18 FINANCIAL INSTRUMENTS (Continued)

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

*Credit risk* (Continued)

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

	Note	Category	ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<b>31 March 2019</b>						
Receivables	8	Performing (Note A)	Lifetime ECL	62,086	-	62,086
Investments	12	Performing (Note B)	Lifetime ECL	2,800,342	-	2,800,342
				<u>2,862,428</u>	<u>-</u>	<u>2,862,428</u>
<b>1 April 2018</b>						
Receivables	8	Performing (Note A)	Lifetime ECL	63,203	-	63,203
Investments	12	Performing (Note B)	Lifetime ECL	1,787,759	-	1,787,759
				<u>1,850,962</u>	<u>-</u>	<u>1,850,962</u>

**Receivables (Note A)**

The Company 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 Company measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

**Investments (Note B)**

The Company assessed the latest quoted prices of debt securities and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

***Liquidity risk***

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

18 FINANCIAL INSTRUMENTS (Continued)

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

*Liquidity risk* (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Note	2019				
		Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
		\$	\$	\$	\$	\$
<b><u>Financial assets</u></b>						
Cash and cash equivalents	7	1,922,863	1,922,863	1,922,863	-	-
Receivables	8	62,086	62,086	62,086	-	-
Investments	12	2,800,342	5,216,500	94,000	1,387,100	3,735,400
Total undiscounted financial assets		4,785,291	7,201,449	2,078,949	1,387,100	3,735,400
<b><u>Financial liabilities</u></b>						
Payables	13	151,640	151,640	151,640	-	-
Total undiscounted financial liabilities		151,640	151,640	151,640	-	-
Total net undiscounted financial assets		4,633,651	7,049,809	1,927,309	1,387,100	3,735,400

NOTES TO THE FINANCIAL STATEMENTS  
For the financial year ended 31 March 2019

18 FINANCIAL INSTRUMENTS (Continued)

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

*Liquidity risk* (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued)

Note	2018					
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years	
	\$	\$	\$	\$	\$	
<b>Financial assets</b>						
Cash and cash equivalents	7	2,952,508	2,952,508	2,952,508	-	-
Receivables	8	63,203	63,203	63,203	-	-
Investments	12	1,787,759	2,665,825	59,025	1,023,000	1,583,800
Total undiscounted financial assets		4,803,470	5,681,536	3,074,736	1,023,000	1,583,800
<b>Financial liabilities</b>						
Payables	13	181,239	181,239	181,239	-	-
Total undiscounted financial liabilities		181,239	181,239	181,239	-	-
Total net undiscounted financial assets		4,622,231	5,500,297	2,893,497	1,023,000	1,583,800

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

Assets and liabilities not measured at fair value

*Cash and cash equivalents, receivables and payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

*Investments*

The carrying amounts and the fair values of the investments are as follows:

	2019		2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$
<b>Financial assets</b>				
<u>Amortised cost</u>				
Quoted debt securities	2,800,342	2,765,581	1,787,759	1,757,910

The fair value is measured using quoted prices in active markets for identical assets (level 1).

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2019*

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**19 MANAGEMENT OF RESERVES**

The primary objective of the Company's capital management is to ensure that it maintains its unrestricted general fund balance in order to support its operations. The capital structure of the Company comprises unrestricted fund balance as its reserves.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2018.

**20 EVENTS AFTER REPORTING PERIOD**

Subsequent to the financial year end, a new tenant had accepted a letter of offer issued by the Company for the lease of 73 Sultan Gate commencing from 16 April 2019 to 30 November 2020.