

National Heritage Board

Financial Year 09/10

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Statement by Board Members

In our opinion,

- (a) the accompanying financial statements of National Heritage Board (the “Board”) and its subsidiaries (the “Group”) set out on pages 1 to 47 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Board as at 31 March 2010 and the statements of comprehensive income and statements of changes in capital and reserves of the Board and of the Group and the statement of cash flow of the Group for the year ended on that date in accordance with the provisions of the National Heritage Board Act (Chapter 196A) and Statutory Board Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due.

The Members of the Board have, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board



Prof Tommy Koh
Chairman



Michael Koh
Chief Executive Officer

30 June 2010



Independent Auditors' Report

Members of the Board
National Heritage Board

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of National Heritage Board (the "Board") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Board as at 31 March 2010, the statements of comprehensive income and statements of changes in capital and reserves of the Group and of the Board and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 47.

Management's responsibility for the financial statements

The Board's management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the National Heritage Board Act (Chapter 196A) (the "Act") and Statutory Board Financial Reporting Standards.

This responsibility includes:

- (a) designing, implementing and maintaining internal accounting control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion:

- (a) the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and the Board as at 31 March 2010 and the results and changes in capital and reserves of the Group and of the Board and the cash flows of the Group for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Board have been properly kept in accordance with the provisions of the Act.
- (c) the accounting and other records of those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the Singapore Companies Act, Chapter 50.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of monies and the acquisition and disposal of assets by the Board during the financial year have not been made in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
30 June 2010

Statements of Financial Position

As at 31 March 2010

Note	GROUP			BOARD		
	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)
Non-current assets						
Heritage materials	3	262,006,380	261,782,784	166,241,338	260,842,714	165,246,448
Property, plant and equipment	4	154,707,208	148,523,458	162,110,971	154,352,476	161,898,601
Subsidiaries	5	-	-	-	2	2
Prepaid leases	6	1,556,342	1,621,188	1,686,034	1,556,342	1,686,034
Available-for-sale investment	7	50,000	50,000	50,000	50,000	50,000
Held to maturity investment	8	-	202,085	206,325	-	-
		418,319,930	412,179,515	330,294,668	416,801,534	328,881,085
Current assets						
Inventories		97,210	92,956	105,785	-	-
Other receivables, deposits and prepayments	9	5,045,143	4,552,651	4,312,882	4,837,326	4,194,258
Grants receivable		-	-	6,067,801	-	6,067,801
Cash and cash equivalents	10	112,720,579	94,388,168	56,185,767	103,067,047	49,444,674
		117,862,932	99,033,775	66,672,235	107,904,373	59,706,733
Total assets		536,182,862	511,213,290	396,966,903	524,705,907	388,587,818
Capital and reserves						
Capital account	11	40,771,505	27,571,795	5,221,480	40,771,505	5,221,480
Heritage capital reserve	12	92,947,742	92,855,436	92,566,687	89,677,469	89,296,324
Accumulated surplus						
- General fund (others)	13	12,606,439	10,859,161	10,720,348	11,789,318	9,980,712
- General fund (heritage material and property, plant and equipment)	13	158,448,225	171,454,469	77,465,757	158,280,945	77,465,757
- Restricted funds	13	4,155,163	4,052,323	4,052,323	-	-
		308,929,074	306,793,184	190,026,595	300,519,237	181,964,273
Non-current liability						
Deferred capital grants	14	126,477,781	141,787,926	161,576,783	126,180,937	161,576,783
Current liabilities						
Other payables	15	19,593,173	15,203,905	11,594,175	18,654,090	11,288,001
Grants received in advance	16 & 17	48,284,549	33,268,875	21,314,092	46,512,409	21,314,092
Deferred donations	18	32,898,285	14,159,400	12,269,498	32,839,234	12,258,909
Short-term borrowings		-	-	185,760	-	185,760
		100,776,007	62,632,180	45,363,525	98,005,733	45,046,762
Total liabilities		227,253,788	204,420,106	206,940,308	224,186,670	206,623,545
Total capital and reserves and liabilities		536,182,862	511,213,290	396,966,903	524,705,907	388,587,818
Net assets of trust funds	19	26,817	14,505	24,660	4,181,980	4,076,983

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.



Consolidated Statement of Comprehensive Income

Year Ended 31 March 2010

Group	Note	GENERAL FUND		RESTRICTED FUNDS		TOTAL	
		2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)
Income							
Archival services		987,006	915,016	-	-	987,006	915,016
Contributions and cash donations		309,575	306,088	3,152,731	2,516,050	3,462,306	2,822,138
Donations-in-kind and purchase of property, plant and equipment/ heritage materials using cash donations		1,913,566	94,034,712	-	-	1,913,566	94,034,712
Admission fees		2,290,595	1,757,521	87,736	-	2,378,331	1,757,521
Sponsorship from Singapore Post and other organisations		732,588	713,630	-	-	732,588	713,630
Rental income		3,760,840	4,031,824	16,007	-	3,776,847	4,031,824
Interest income		97,881	341,003	102,840	-	200,721	341,003
Agency fees from Preservation of Monuments Board		126,030	467,970	-	-	126,030	467,970
Workshops/Seminars		458,770	462,372	53,967	-	512,737	462,372
Consultancy/Project management		182,662	290,743	-	-	182,662	290,743
Commission/royalties/consignment		198,460	339,109	5	-	198,465	339,109
Sales at Singapore Philatelic Museum		23,254	94,755	-	-	23,254	94,755
Carpark collection		179,567	84,871	-	-	179,567	84,871
Others		553,736	259,713	3,544	-	557,280	259,713
		11,814,530	104,099,327	3,416,830	2,516,050	15,231,360	106,615,377
Operating expenditure							
Staff costs	20	(27,156,215)	(25,451,118)	(3,057,079)	(637)	(30,213,294)	(25,451,755)
Depreciation of property, plant and equipment	4	(27,965,453)	(28,185,959)	(226,087)	(252,829)	(28,191,540)	(28,438,788)
Rental of premises/equipment		(11,803,072)	(10,877,573)	(282,406)	-	(12,085,478)	(10,877,573)
Utilities		(5,687,212)	(5,552,499)	(152,165)	-	(5,839,377)	(5,552,499)
Exhibition expenses		(5,547,869)	(5,991,054)	(2,050,674)	(1,433,493)	(7,598,543)	(7,424,547)
Repairs and maintenance		(7,582,843)	(8,662,601)	(873,996)	(7,691)	(8,456,839)	(8,670,292)
Other services and fees		(10,141,266)	(6,326,517)	(2,664,328)	(541,039)	(12,805,594)	(6,867,556)
Goods and services tax expenses		(2,511,882)	(2,710,512)	(404,642)	-	(2,916,524)	(2,710,512)
Supplies and materials		(1,736,669)	(1,998,445)	(145,375)	(194,656)	(1,882,044)	(2,193,101)
Publicity and public relations	21	(6,523,526)	(7,483,703)	(546,454)	(315,140)	(7,069,980)	(7,798,843)
Security systems and services		(1,926,578)	(1,930,963)	(78,903)	(50)	(2,005,481)	(1,931,013)
Staff welfare and development		(1,007,131)	(947,331)	(44,346)	(7,231)	(1,051,477)	(954,562)
Transport, postage and communications		(852,922)	(770,661)	(69,953)	(11,240)	(922,875)	(781,901)
Freight charges		(65,163)	(104,018)	(15,417)	(4,873)	(80,580)	(108,891)
Board members' allowances	22	(227,120)	(203,676)	-	-	(227,120)	(203,676)
Balance carried forward		(110,734,921)	(107,196,630)	(10,611,825)	(2,768,879)	(121,346,746)	(109,965,509)

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income (cont'd)

Year Ended 31 March 2010

	Note	GENERAL FUND		RESTRICTED FUNDS		TOTAL	
		2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)
Balance brought forward		(110,734,921)	(107,196,630)	(10,611,825)	(2,768,879)	(121,346,746)	(109,965,509)
Amortisation of prepaid leases	6	(64,846)	(64,846)	-	-	(64,846)	(64,846)
Foreign exchange (loss)/gain		(49,529)	19,012	-	-	(49,529)	19,012
Donated heritage material written back/ (written off)	3	230	(46,000)	-	-	230	(46,000)
Property, plant and equipment written off	4	(96,819)	(1,742)	(25,076)	-	(121,895)	(1,742)
		(110,945,885)	(107,290,206)	(10,636,901)	(2,768,879)	(121,582,786)	(110,059,085)
Return of heritage materials to a donor	3	(14,920,040)	-	-	-	(14,920,040)	-
Deficit before grants		(114,051,395)	(3,190,879)	(7,220,071)	(252,829)	(121,271,466)	(3,443,708)
Grants							
Deferred capital grants amortised	14	28,025,966	27,404,427	251,163	252,829	28,277,129	27,657,256
Grants received:							
- from Government	17	73,962,694	69,563,977	7,071,748	-	81,034,442	69,563,977
- on behalf of Singapore Tyler Print Institute ("STPI")	17	500,000	750,000	-	-	500,000	750,000
- on behalf of other organisation	17	-	204,682	-	-	-	204,682
		102,488,660	97,923,086	7,322,911	252,829	109,811,571	98,175,915
Grants disbursed:							
- to STPI		(750,000)	(500,000)	-	-	(750,000)	(500,000)
- to other organisations		-	(104,682)	-	-	-	(104,682)
		(750,000)	(604,682)	-	-	(750,000)	(604,682)
		101,738,660	97,318,404	7,322,911	252,829	109,061,571	97,571,233
(Deficit)/Surplus for the year before income tax		(12,312,735)	94,127,525	102,840	-	(12,209,895)	94,127,525
Income tax expense	24	-	-	-	-	-	-
Net (deficit)/surplus for the year		(12,312,735)	94,127,525	102,840	-	(12,209,895)	94,127,525
Other comprehensive income							
Acquisition of heritage materials using grants	3 & 12	104,396	356,460	-	-	104,396	356,460
Write-off of heritage materials purchased using grants	3 & 12	(12,090)	(67,711)	-	-	(12,090)	(67,711)
Other comprehensive income		92,306	288,749	-	-	92,306	288,749
Total comprehensive income for the year		(12,220,429)	94,416,274	102,840	-	(12,117,589)	94,416,274
Net surplus for the year before donations-in-kind, heritage materials/property, plant and equipment acquired using cash donations, heritage materials returned to a donor and donated heritage materials written off	25	693,509	138,813	102,840	-	796,349	138,813

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Statement of Comprehensive Income

Year Ended 31 March 2010

Board	Note	GENERAL FUND		RESTRICTED FUNDS		TOTAL	
		2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)
Income							
Archival services		987,006	915,016	-	-	987,006	915,016
Contributions and cash donations		251,675	306,088	3,152,731	2,516,050	3,404,406	2,822,138
Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donations		1,911,066	93,869,932	-	-	1,911,066	93,869,932
Admission fees		2,238,567	1,741,988	87,736	-	2,326,303	1,741,988
Rental income		3,760,840	4,031,824	16,007	-	3,776,847	4,031,824
Interest income		162,820	290,856	-	-	162,820	290,856
Agency fees from Preservation of Monuments Board		126,030	467,970	-	-	126,030	467,970
Workshops/Seminars		355,305	383,993	53,967	-	409,272	383,993
Consultancy/Project management		39,229	201,825	-	-	39,229	201,825
Commission/royalties/consignment		165,114	293,974	5	-	165,119	293,974
Carpark collection		179,567	84,871	-	-	179,567	84,871
Others		775,928	237,289	3,544	-	779,472	237,289
		10,953,147	102,825,626	3,313,990	2,516,050	14,267,137	105,341,676
Operating expenditure							
Staff costs	20	(26,366,074)	(24,677,655)	(1,145,177)	(637)	(27,511,251)	(24,678,292)
Depreciation of property, plant and equipment	4	(27,888,269)	(28,108,664)	(208,714)	(252,829)	(28,096,983)	(28,361,493)
Rental of premises/equipment		(11,625,680)	(10,700,174)	(41,188)	-	(11,666,868)	(10,700,174)
Utilities		(5,637,183)	(5,499,384)	(145,763)	-	(5,782,946)	(5,499,384)
Exhibition expenses		(5,092,524)	(5,771,085)	(2,050,674)	(1,433,493)	(7,143,198)	(7,204,578)
Repairs and maintenance		(7,440,681)	(8,613,209)	(866,325)	(7,691)	(8,307,006)	(8,620,900)
Other services and fees		(10,111,410)	(6,293,136)	(347,989)	(541,039)	(10,459,399)	(6,834,175)
Goods and services tax expenses		(2,511,883)	(2,710,512)	(862)	-	(2,512,745)	(2,710,512)
Supplies and materials		(1,704,686)	(1,955,636)	(40,074)	(194,656)	(1,744,760)	(2,150,292)
Publicity and public relations	21	(6,472,106)	(7,476,695)	(534,200)	(315,140)	(7,006,306)	(7,791,835)
Security systems and services		(1,926,578)	(1,930,963)	(76,520)	(50)	(2,003,098)	(1,931,013)
Staff welfare and development		(984,197)	(933,810)	(10,616)	(7,231)	(994,813)	(941,041)
Transport, postage and communications		(835,947)	(753,709)	(31,833)	(11,240)	(867,780)	(764,949)
Freight charges		(65,163)	(104,018)	(13,547)	(4,873)	(78,710)	(108,891)
Board members' allowances	22	(227,120)	(203,676)	-	-	(227,120)	(203,676)
Balance carried forward		(108,889,501)	(105,732,326)	(5,513,482)	(2,768,879)	(114,402,983)	(108,501,205)

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Statement of Comprehensive Income (cont'd)

Year Ended 31 March 2010

	Note	GENERAL FUND		RESTRICTED FUNDS		TOTAL	
		2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)
Balance brought forward		(108,889,501)	(105,732,326)	(5,513,482)	(2,768,879)	(114,402,983)	(108,501,205)
Amortisation of prepaid leases	6	(64,846)	(64,846)	-	-	(64,846)	(64,846)
Foreign exchange (loss)/gain		(49,529)	19,012	-	-	(49,529)	19,012
Donated heritage material written back/ (written off)	3	230	(46,000)	-	-	230	(46,000)
Property, plant and equipment written off	4	(96,819)	(1,742)	-	-	(96,819)	(1,742)
		(109,100,465)	(105,825,902)	(5,513,482)	(2,768,879)	(114,613,947)	(108,594,781)
Return of heritage materials to a donor	3	(14,920,040)	-	-	-	(14,920,040)	-
Deficit before grants		(113,067,358)	(3,000,276)	(2,199,492)	(252,829)	(115,266,850)	(3,253,105)
Grants							
Deferred capital grants amortised	14	28,051,042	27,404,427	208,714	252,829	28,259,756	27,657,256
Grants received:							
- from Government	16	72,797,194	69,384,996	1,990,778	-	74,787,972	69,384,996
- on behalf of Singapore Tyler Print Institute ("STPI")	16	500,000	750,000	-	-	500,000	750,000
- on behalf of other organisation	16	-	204,682	-	-	-	204,682
		101,348,236	97,744,105	2,199,492	252,829	103,547,728	97,996,934
Grants disbursed:							
- to STPI		(750,000)	(500,000)	-	-	(750,000)	(500,000)
- to other organisations		-	(204,682)	-	-	-	(204,682)
		(750,000)	(704,682)	-	-	(750,000)	(704,682)
		100,598,236	97,039,423	2,199,492	252,829	102,797,728	97,292,252
(Deficit)/Surplus for the year before income tax		(12,469,122)	94,039,147	-	-	(12,469,122)	94,039,147
Income tax expense	24	-	-	-	-	-	-
Net (deficit)/surplus for the year		(12,469,122)	94,039,147	-	-	(12,469,122)	94,039,147
Other comprehensive income							
Acquisition of heritage materials using grants	3 & 12	104,396	356,460	-	-	104,396	356,460
Write-off of heritage materials purchased using grants	3 & 12	(12,000)	(67,711)	-	-	(12,000)	(67,711)
Other comprehensive income		92,396	288,749	-	-	92,396	288,749
Total comprehensive income for the year		(12,376,726)	94,327,896	-	-	(12,376,726)	94,327,896
Net surplus for the year before donations-in-kind, heritage materials/property, plant and equipment acquired using cash donations, heritage materials returned to a donor and donated heritage materials written off	25	539,622	215,215	-	-	539,622	215,215

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Consolidated Statement of Changes in Capital and Reserves

Year Ended 31 March 2010

Group	Note	ACCUMULATED SURPLUS					TOTAL \$
		CAPITAL ACCOUNT \$	HERITAGE CAPITAL RESERVE \$	GENERAL FUND – OTHERS \$	GENERAL FUND – HERITAGE MATERIALS AND PROPERTY, PLANT AND EQUIPMENT \$	RESTRICTED FUNDS \$	
At 1 April 2008, as previously reported		5,221,480	168,516,811	10,720,348	-	4,052,323	188,510,962
Changes in accounting policy	30	-	(75,950,124)	-	77,465,757	-	1,515,633
At 1 April 2008, as restated		5,221,480	92,566,687	10,720,348	77,465,757	4,052,323	190,026,595
Surplus for the year (restated)		-	-	138,813	93,988,712	-	94,127,525
Other comprehensive income							
Acquisition of heritage materials using grants		-	356,460	-	-	-	356,460
Heritage materials purchased using grants written off	3 & 12	-	(67,711)	-	-	-	(67,711)
Total comprehensive income for the year		-	288,749	138,813	93,988,712	-	94,416,274
Transactions with owners recorded directly in equity							
Contributions by owners							
Issue of share capital	11	22,350,315	-	-	-	-	22,350,315
Total transactions with owners		22,350,315	-	-	-	-	22,350,315
At 31 March 2009		27,571,795	92,855,436	10,859,161	171,454,469	4,052,323	306,793,184
At 1 April 2009, as previously reported		27,571,795	261,663,379	11,629,986	-	4,052,323	304,917,483
Changes in accounting policy	30	-	(168,807,943)	(770,825)	171,454,469	-	1,875,701
At 1 April 2009, as restated		27,571,795	92,855,436	10,859,161	171,454,469	4,052,323	306,793,184
Surplus for the year		-	-	693,509	(13,006,244)	102,840	(12,209,895)
Other comprehensive income							
Acquisition of heritage materials using grants	3 & 12	-	104,396	-	-	-	104,396
Write-off of heritage materials purchased using grants	3 & 12	-	(12,090)	-	-	-	(12,090)
Total comprehensive income for the year		-	92,306	693,509	(13,006,244)	102,840	(12,117,589)
Transactions with owners recorded directly in equity							
Contributions by owners							
Transfer from Preservation of Monuments Board	13	-	-	1,053,769	-	-	1,053,769
Issue of share capital	11	13,199,710	-	-	-	-	13,199,710
Total transactions with owners		13,199,710	-	1,053,769	-	-	14,253,479
At 31 March 2010		40,771,505	92,947,742	12,606,439	158,448,225	4,155,163	308,929,074

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Statement of Changes in Capital and Reserves

Year Ended 31 March 2010

	Note	CAPITAL ACCOUNT \$	HERITAGE CAPITAL RESERVE \$	GENERAL FUND – OTHERS \$	ACCUMULATED SURPLUS GENERAL FUND – HERITAGE MATERIALS AND PROPERTY, PLANT AND EQUIPMENT \$	TOTAL \$
Board						
At 1 April 2008, as previously reported		5,221,480	165,246,448	9,980,712	-	180,448,640
Changes in accounting policy	30	-	(75,950,124)	-	77,465,757	1,515,633
At 1 April 2008, as restated		5,221,480	89,296,324	9,980,712	77,465,757	181,964,273
Surplus for the year (restated)		-	-	215,215	93,823,932	94,039,147
Other comprehensive income						
Acquisition of heritage materials using grants	3 & 12	-	356,460	-	-	356,460
Heritage materials purchased using grants written off	3 & 12	-	(67,711)	-	-	(67,711)
Total comprehensive income for the year		-	288,749	215,215	93,823,932	94,327,896
Transactions with owners recorded directly in equity						
Contributions by owners						
Issue of share capital	11	22,350,315	-	-	-	22,350,315
At 31 March 2009, as restated		27,571,795	89,585,073	10,195,927	171,289,689	298,642,484
At 1 April 2009, as previously reported		27,571,795	258,228,236	10,966,752	-	296,766,783
Changes in accounting policy	30	-	(168,643,163)	(770,825)	171,289,689	1,875,701
At 1 April 2009, as restated		27,571,795	89,585,073	10,195,927	171,289,689	298,642,484
Surplus for the year		-	-	539,622	(13,008,744)	(12,469,122)
Other comprehensive income						
Acquisition of heritage materials using grants	3 & 12	-	104,396	-	-	104,396
Write-off of heritage materials purchased using grants	3 & 12	-	(12,000)	-	-	(12,000)
Total comprehensive income for the year		-	92,396	539,622	(13,008,744)	(12,376,726)
Transactions with owners recorded directly in equity						
Contributions by owners						
Transfer from Preservation of Monuments Board	13	-	-	1,053,769	-	1,053,769
Issue of share capital	11	13,199,710	-	-	-	13,199,710
Total contributions by owners		13,199,710	-	1,053,769	-	14,253,479
At 31 March 2010, as restated		40,771,505	89,677,469	11,789,318	158,280,945	300,519,237

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

Year Ended 31 March 2010

	Note	2010 \$	2009 \$ (RESTATED)
Operating activities			
Deficit before grants		(121,271,466)	(3,443,708)
Adjustments for:			
Amortisation of bond premium	23	2,085	4,240
Depreciation of property, plant and equipment	4	28,191,540	28,438,788
Amortisation of prepaid leases	6	64,846	64,846
Interest income		(200,721)	(341,003)
Contribution and cash donations		(3,462,306)	(2,822,138)
Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donations		(1,913,566)	(94,034,712)
Donated heritage material (written back)/written off		(230)	46,000
Return of heritage materials to a donor		14,920,040	-
Property, plant and equipment written off		121,895	1,742
Deficit before working capital changes		(83,547,883)	(72,085,945)
Changes in working capital:			
Inventories		(4,254)	12,829
Other receivables, deposits and prepayments		(110,232)	(290,753)
Other payables		3,661,681	3,609,730
Cash flows from operating activities		(80,000,688)	(68,754,139)
Investing activities			
Purchase of property, plant and equipment	4	(34,445,880)	(14,853,017)
Purchase of heritage materials	3	(13,497,233)	(2,976,422)
Redemption of held-to-maturity investment		200,000	-
Interest received		126,414	391,987
Cash managed under Centralised liquidity management		(82,440,473)	-
Cash flows from investing activities		(130,057,172)	(17,437,452)
Financing activities			
Issuance of share capital	11	13,199,710	22,350,315
Government grants received	17	108,570,191	96,766,102
Donations received		20,837,864	6,068,017
Grants released to other organisations		-	(104,682)
Grants released to STPI		(750,000)	(500,000)
Drawdown of short-term borrowings		-	285,313
Repayment of short-term borrowings		-	(471,073)
Cash flows from financing activities		141,857,765	124,393,992
Net (decrease)/increase in cash and cash equivalents		(68,200,095)	38,202,401
Cash acquired from merger of the Preservation of Monuments Board	13(a)	4,092,033	-
Cash and cash equivalents at beginning of the year		94,388,168	56,185,767
Cash and cash equivalents at end of the year	10	30,280,106	94,388,168

The accompanying notes on pages 12 to 47 form an integral part of these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Members of the Board on 30 June 2010.

1 DOMICILE AND ACTIVITIES

National Heritage Board (the “Board”) was established on 1 August 1993 under the National Heritage Board Act (Chapter 196A). Its registered office is at 61 Stamford Road, #03-08, Stamford Court, Singapore 178892 and its principal place of business is in Singapore.

The Board is subjected to the control of its supervisory ministry, Ministry of Information, Communications and The Arts (MICA), and is required to follow the policies and instructions issued from time to time by MICA and other government ministries and departments such as the Ministry of Finance (MOF).

The principal activities of the Board are:

- (a) to explore and present the heritage and nationhood of the people of Singapore in the context of their ancestral cultures, their links with South-East Asia, Asia and the World through the collection, preservation and display of objects and records;
- (b) to promote public awareness, appreciation and understanding of the arts, culture and heritage, both by means of the Board’s collections and by such other means as it considers appropriate;
- (c) to promote the establishment and development of organisations concerned with the national heritage of Singapore;
- (d) to provide a permanent repository of records of national or historical significance and to facilitate access thereto;
- (e) to conduct records management programmes for the Government;
- (f) to record, preserve and disseminate the history of Singapore through oral history methodology or other means; and
- (g) to advise the Government in respect of matters relating to the national heritage of Singapore.

With effect from 1 April 2009, the three Heritage Institutions (HIs), namely the Malay Heritage Centre (MHC), Sun Yat Sen Nanyang Memorial Hall (SYSNMH) and the proposed Indian Heritage Centre (IHC) formed part of the Board as a division. The Board is tasked to drive and support the redevelopment of the HIs to ensure the long-term sustainability of the different institutions. The Board runs and is accountable for the operations of the HIs, while the Heritage Foundations (i.e. Malay Heritage Foundation, Singapore Chinese Chamber of Commerce and the proposed Indian Heritage Foundation) remain as legally separate companies limited by guarantee with their own Boards of Directors. A Memorandum of understanding (MOU) between the Board and the three HIs was signed in March 2009 with regards to this arrangement.

Notes to the Financial Statements

The Board is required by the Ministry of Information, Communications and the Arts (“MICA”) to assist in managing the funding requirements of the Singapore Tyler Print Institute (“STPI”) and has been receiving operating and capital grants from MICA to fund the activities of the STPI. As requested by MICA, the Board will lease the principal places of business from the Singapore Land Authority through tenancy agreements. Renovation works funded by MICA are recorded in the Board’s accounting records and the premises are leased out to STPI through sub-lease agreements.

The Singapore Philatelic Museum (the “SPM”) is a trust which was separately registered as a charity (Registration No: 199502248C) on 25 January 1996. The use of the monies in SPM is restricted to purposes specified in the trust deed and requires the approval of the trustees of SPM.

The Board was an Institute of Public Character (“IPC”) under Section 37(2)(c) of the Income Tax Act since its formation in 1993, under which it can grant tax deductions to its donors. The Ministry of Finance felt that there should be a distinction between the charitable functions and the administrative functions of statutory boards to allow for greater transparency and public accountability. It was decided that IPC status should be granted to projects or auspices of funds managed by the statutory board itself. The Board was thus required to establish an omnibus fund to which IPC status will be transferred.

During the financial years ended 2003 and 2004, the Board approved the set up of the National Heritage Fund (“NHF”), an Institute of Public Character (“IPC”) Fund as well as the governing instruments of the fund. With effect from 1 August 2003, all donations in support of NHB’s charitable objects would be made payable to the NHF in order to enjoy tax deductions. Details of such donations are set out in note 26.

Due to the merger of the Board with the Preservation of Monuments Board, the Preservation of Monuments Fund, an Institute of Public Character (“IPC”) Fund, in turn forms part of the Board. Details of such donations are set out in note 27.

The consolidated financial statements relate to the Board and its subsidiaries and the Singapore Philatelic Fund (together referred to as the Group). The principal activities of the subsidiaries are as stated in note 5.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the National Heritage Board Act (Chapter 196A) and Statutory Board Financial Reporting Standards (“SB-FRS”). SB-FRS includes Statutory Board Financial Reporting Standards, Interpretations of SB-FRS and SB-FRS Guidance Notes as promulgated by the Accountant-General.

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities as described below.

The financial statements are presented in Singapore dollars which is the Board’s functional currency.

The preparation of financial statements in conformity with SB-FRS 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.

Notes to the Financial Statements

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 3 – valuation of heritage materials.

The accounting policies set out below have been applied consistently by the Group and Board to all periods presented in these financial statements, except as explained in note 2.2.

2.2 Changes in accounting policies

With effect from 1 April 2009, the Group adopted the following new/amended SB-FRS which are relevant to the Group.

- SB-FRS1 (revised 2008) Presentation of financial statements
- Amendments to SB-FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- SB-FRS1 Guidance Note 1 Accounting and Disclosure for Funds, Grants, Accumulated Surpluses and Reserves
- SB-FRS1 Guidance Note 2 Accounting and Disclosure for Donations
- SB-FRS1 Guidance Note 3 Accounting and Disclosure for Trust Funds

Presentation of financial statements

The Group applies revised SB-FRS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in capital and reserves all owner changes in capital and reserves, whereas all non-owner changes in capital and reserves are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on the surplus of the Group.

Financial Instruments: Disclosures

The Group applies amendments to SB-FRS 107 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*, which became effective as of 1 January 2009. The amendments require disclosures of financial instruments measured at fair value to be based on a “three-level” fair value hierarchy that reflects the significance of the input in such fair value measurements.

Accounting and Disclosure for Funds, Grants, Accumulated Surplus and Reserves

The Group applies SB-FRS Guidance Note 1 *Accounting and Disclosure for Funds, Grants, Accumulated Surplus and Reserves*, which became effective as of 1 January 2009. As a result, the total results of the activities undertaken by the Board, the operating results of all funds, of which the Board exercise control over, are presented in the statement of comprehensive income. The government grant is also reflected as a separate item in the statement of comprehensive income (surplus or deficit) after the surplus/deficit from operating and non-operating items. It also requires the classification of certain grants as capital. In addition, funds that are received for specific purposes and whereby there are legal or other restrictions on the ability of the Group to distribute, or otherwise apply its funds, have to be separately disclosed. For funds which satisfy the criteria for separate disclosure, the income and expenditures of these funds shall be presented in the statement of comprehensive income as a separate column with further details in the notes to the financial statements.

Notes to the Financial Statements

Comparative information has been re-presented so that it is also in conformity with the revised Guidance Note. Since the change in accounting policy only impacts presentation aspects, there is no impact on the Group's surplus or deficit.

Accounting and disclosure for donations

The Group applies SB-FRS Guidance Note 2 *Accounting and Disclosure for Donations*, which became effective as of 1 January 2009. As a result, all donations, whether of cash or assets, shall be recognised in surplus or deficit in the period it is received or receivable when the Group has obtained control of the donation or the right to receive the donation, the amount of the donation can be measured reliably and it is probable that the economic benefits comprising the donation will flow to the Group. Previously, the Group accounts for donated heritage materials and heritage materials purchased using cash donations in the heritage capital reserve while property, plant and equipment purchased using cash donations are recorded in the deferred capital grant account and recognised in the statement of comprehensive income (surplus or deficit) over the periods necessary to match the depreciation/write-off and/or impairment loss of the assets purchased.

The change in accounting policy has been applied retrospectively, and comparatives have been restated as disclosed in note 30 to the financial statements.

Accounting and disclosure for trust funds

The Group applies SB-FRS Guidance Note 3 *Accounting and Disclosure for Trust Funds*, which became effective as of 1 January 2009, which provides guidance on the accounting and disclosures for trust funds held by statutory boards. As a result, funds in which the Board acts as a custodian, trustee, manager or agent but does not exercise control over will not be disclosed in the primary statements of the Board and will be presented at the bottom of the Group's and Board's Balance Sheets with additional disclosures in the notes to the financial statements.

2.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income (surplus or deficit), except for differences arising on available-for-sale investments which are recognised in other comprehensive income.

2.4 Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by Group.

Notes to the Financial Statements

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Acquisition from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the Board's supervisory ministry are accounted for from the date that the particular common control business combination occurs. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's supervisory ministry's consolidated financial statements. The components of capital and reserves of the acquired entities are added to the same components within the Group's capital and reserve.

Accounting for subsidiaries by the Board

Investments in subsidiaries are stated in the Board's statement of financial position at cost less accumulated impairment losses.

2.5 Heritage materials

Heritage materials purchased by the Group are stated at cost less impairment losses, if any. Heritage materials received by the Board as donations are recognised at the valuation determined by the appraisal/acquisition committee of the respective museums at the time of receipt of the materials.

The heritage materials are held in perpetuity with an indefinite economic lifespan and are not depreciated.

Archival materials transferred from the Government are stated at the nominal value of \$1 per item irrespective of media.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Notes to the Financial Statements

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income (surplus or deficit) as incurred.

Work-in-progress is not depreciated. Depreciation on other property, plant and equipment is recognised in the statement of comprehensive income (surplus or deficit) on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

Building improvements	3 to 10 years
Mechanical and electrical equipment	8 years
Audio visual and micrographic equipment	6 to 8 years
Furniture, fittings and office equipment	6 to 8 years
Computers	3 to 5 years
Motor vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

2.7 Prepaid leases

Prepaid leases are stated at cost less accumulated amortisation and impairment losses. Amortisation on prepaid leases is recognised in the statement of comprehensive income (surplus or deficit) on a straight-line basis over the lease term of 30 years.

2.8 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

The Group has the following non-derivative financial assets:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and deposits at both Group and Company level (see note 9).

Cash and cash equivalents comprise cash balances and bank deposits which have a short maturity period and are highly liquid.

Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, are recognised in other comprehensive income and presented within the fair value reserve. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to surplus or deficit in the statement of comprehensive income.

Unquoted equity securities classified as available-for-sale which do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment losses, if any.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group's non-derivative financial liabilities comprise other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Notes to the Financial Statements

Capital

Shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity, net of tax effects.

2.9 Impairment

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income (surplus or deficit) and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income (surplus or deficit).

Impairment losses on available-for-sale investments are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve to the statement of comprehensive income (surplus or deficit). The cumulative loss that is recognised in the fair value reserve and recognised in the statement of comprehensive income (surplus or deficit) is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in the statement of comprehensive income. Changes in impairment attributable to time value are reflected as a component of interest income.

Notes to the Financial Statements

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income (surplus or deficit).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2.10 Inventories

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

2.11 Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all required conditions will be complied with.

Government grants for the purchase of depreciable assets are taken to the deferred capital grant account. The deferred capital grants are recognised in the statement of comprehensive income (surplus or deficit) over the periods necessary to match the depreciation/write-off and/or impairment loss of the assets purchased, with the related grants.

Government grants utilised for the purchase of heritage materials are taken to the heritage capital reserve as and when the heritage materials are acquired/received.

Government grants received by the Group to meet the current year's operating expenses are recognised by the Group as income in the year these operating expenses were incurred. Grants received in advance are recorded in the statement of financial position of the Group.

Notes to the Financial Statements

2.12 Funds

Assets and liabilities of the general fund and restricted funds are pooled in the statement of financial position.

General Fund

Income and expenditure relating to the main activities of the Group and the Board are accounted for in the “General Fund” column of the statement of comprehensive income.

Restricted Funds

Income and expenditure relating to funds received for specific purposes and for which separate disclosure is necessary as these funds are material and there are legal and other restrictions on the ability of the Board to distribute or otherwise apply these funds are accounted for in the “Restricted Fund” column in the statement of comprehensive income and disclosed separately in note 13 to the financial statements.

2.13 Leases

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income (surplus or deficit) as an integral part of the total lease payments made. Leased assets under operating leases are not recognised in the Group’s statement of financial position.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in property, plant and equipment and are stated at cost less accumulated depreciation and impairment losses. Rental income is recognised on a straight-line basis over the lease term.

2.14 Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or contractual obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes to the Financial Statements

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 annual leave as a result of services rendered by employees up to the reporting date.

2.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Admission fees

Admission fees are recognised upon the sale of tickets to visitors at the museums.

Rental income and agency fees

Rental income and agency fees are recognised over the lease and service period.

Income from rendering of services

Income from rendering of services are recognised when the services have been rendered.

Contributions and other sponsorships

Contributions and other sponsorships (other than those for capital expenditure and heritage materials), are recognised as income when the right to receive the contributions and other sponsorships has been established.

Donations

Donations, whether of cash or assets, shall be recognised in the statement of comprehensive income (surplus or deficit) in the period it is received or receivable when the Group has obtained control of the donation or the right to receive the donation, the amount of the donation can be measured reliably and it is probable that the economic benefits comprising the donation will flow to the Group. Donated assets are recognised at the valuation determined by a panel of valuers consisting of professional staff at the time of receipt of the assets.

Donations with restriction and/or conditions attached shall be recognised as surplus if the restrictions and conditions are under the Group's purview and it is probable that these restrictions and conditions would be met. Otherwise, these donations are recognised and taken to the "non-government grants received in advance" account until the above criteria are fulfilled or when the restrictions and/or conditions are met.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Notes to the Financial Statements

2.16 Net assets of trust funds

Trust funds are funds for which the Board acts as a custodian, trustee, manager or agent but does not exercise control over the funds.

The assets and liabilities of these funds held in trust are presented as a line item at the bottom of the statement of financial position with additional disclosures in the notes to the financial statements as prescribed by SB-FRS Guidance Note 3. The income and expenditure items relating to these funds are accounted for directly in these funds. Details of income, expenditure, assets and liabilities of trust funds are disclosed in note 19.

2.17 Income tax expense

The Board and its subsidiaries are tax-exempted institutions under the provision of the Income Tax Act (Cap 134, 2004 Revised Edition).

Notes to the Financial Statements

3 HERITAGE MATERIALS

Group	Note	ASIAN CIVILISATIONS MUSEUM \$	NATIONAL MUSEUM OF SINGAPORE \$	SINGAPORE ART MUSEUM \$	NATIONAL ARCHIVES OF SINGAPORE \$	ART BANK SCHEME \$	GOVERNMENT INSTITUTION SCHEME \$	PHILATELIC COLLECTION \$	TOTAL \$
Cost/Valuation									
At 1 April 2008		58,266,082	32,910,907	69,855,678	2,099,529	467,425	1,646,827	994,890	166,241,338
Acquisition									
- from government grants	12 & 17	49,500	175,872	131,088	-	-	-	-	356,460
- from donations		197,500	-	27,584	-	-	-	-	225,084
- from equity injections from the Ministry of Communication, Information and the Arts		1,644,386	6,935	743,557	-	-	-	-	2,394,878
Donation-in-kind		15,070,432	45,919	77,397,604	-	-	-	164,780	92,678,735
Heritage materials purchased using government grants written-off	12	(15,536)	(43,225)	(8,950)	-	-	-	-	(67,711)
Donated heritage materials & heritage materials purchased using donations written-off		(2,100)	(7,900)	(36,000)	-	-	-	-	(46,000)
At 31 March 2009		75,210,264	33,088,508	148,110,561	2,099,529	467,425	1,646,827	1,159,670	261,782,784
Acquisition									
- from government grants	12 & 17	2,367	18,500	66,651	16,878	-	-	-	104,396
- from donations		112,607	-	142,696	-	-	-	-	255,303
- from equity injections from the Ministry of Communication, Information and the Arts		9,170,342	268,031	3,098,689	598,886	-	-	-	13,135,948
- from cash generated from operations		-	-	-	-	-	-	1,586	1,586
Donation-in-kind		685,457	120,456	849,850	-	-	-	2,500	1,658,263
Return to donor		(14,920,040)	-	-	-	-	-	-	(14,920,040)
Heritage materials purchased using government grants written-off	12	-	(12,000)	-	-	-	-	(90)	(12,090)
Donated heritage materials & heritage materials purchased using donations written-back		230	-	-	-	-	-	-	230
At 31 March 2010		70,261,227	33,483,495	152,268,447	2,715,293	467,425	1,646,827	1,163,666	262,006,380
At 31 March 2009									
At cost		37,175,879	5,879,405	27,858,481	1,623,810	467,425	1,646,827	1,159,670	75,811,497
At valuation		38,034,385	27,209,103	120,252,080	475,719	-	-	-	185,971,287
		75,210,264	33,088,508	148,110,561	2,099,529	467,425	1,646,827	1,159,670	261,782,784
At 31 March 2010									
At cost		31,541,155	6,153,936	31,166,517	2,239,574	467,425	1,646,827	1,161,166	74,376,600
At valuation		38,720,072	27,329,559	121,101,930	475,719	-	-	2,500	187,629,780
		70,261,227	33,483,495	152,268,447	2,715,293	467,425	1,646,827	1,163,666	262,006,380

Notes to the Financial Statements

Board	Note	ASIAN CIVILISATIONS MUSEUM \$	NATIONAL MUSEUM OF SINGAPORE \$	SINGAPORE ART MUSEUM \$	NATIONAL ARCHIVES OF SINGAPORE \$	ART BANK SCHEME \$	GOVERNMENT INSTITUTION SCHEME \$	TOTAL \$
Cost/Valuation								
At 1 April 2008		58,266,082	32,910,907	69,855,678	2,099,529	467,425	1,646,827	165,246,448
Acquisition								
- from government grants	12 & 16	49,500	175,872	131,088	-	-	-	356,460
- from donations		197,500	-	27,584	-	-	-	225,084
- from equity injections from the Ministry of Communication, Information and the Arts		1,644,386	6,935	743,557	-	-	-	2,394,878
Donation-in-kind		15,070,432	45,919	77,397,604	-	-	-	92,513,955
Heritage materials purchased using government grants written-off	12	(15,536)	(43,225)	(8,950)	-	-	-	(67,711)
Donated heritage materials & heritage materials purchased using donations written-off		(2,100)	(7,900)	(36,000)	-	-	-	(46,000)
At 31 March 2009		75,210,264	33,088,508	148,110,561	2,099,529	467,425	1,646,827	260,623,114
Acquisition								
- from government grants	12 & 16	2,367	18,500	66,651	16,878	-	-	104,396
- from donations		112,607	-	142,696	-	-	-	255,303
- from equity injections from the Ministry of Communication, Information and the Arts		9,170,342	268,031	3,098,689	598,886	-	-	13,135,948
Donation-in-kind		685,457	120,456	849,850	-	-	-	1,655,763
Return to donor		(14,920,040)	-	-	-	-	-	(14,920,040)
Heritage materials purchased using government grants written-off	12	-	(12,000)	-	-	-	-	(12,000)
Donated heritage materials & heritage materials purchased using donations written-back		230	-	-	-	-	-	230
At 31 March 2010		70,261,227	33,483,495	152,268,447	2,715,293	467,425	1,646,827	260,842,714
At 31 March 2009								
At cost		37,175,879	5,879,405	27,858,481	1,623,810	467,425	1,646,827	74,651,827
At valuation		38,034,385	27,209,103	120,252,080	475,719	-	-	185,971,287
		75,210,264	33,088,508	148,110,561	2,099,529	467,425	1,646,827	260,623,114
At 31 March 2010								
At cost		31,541,155	6,153,936	31,166,517	2,239,574	467,425	1,646,827	73,215,434
At valuation		38,720,072	27,329,559	121,101,930	475,719	-	-	187,627,280
		70,261,227	33,483,495	152,268,447	2,715,293	467,425	1,646,827	260,842,714

Heritage materials of the former National Museum, National Archives and Oral History Department of the then Ministry of Information and the Arts were transferred to the Board on its establishment in 1993. The heritage materials comprising artworks and artefacts were valued by the Arts Appraisal Committee, Museum Curators or external valuers on a class basis (eg. coins, ceramics) and amounted to \$33,912,599 as at 31 March 2010 and 2009. They are recorded as part of heritage capital reserve (capital account).

Notes to the Financial Statements

The Art Bank Scheme and the Government Institution Scheme are schemes to purchase artworks for the Government offices. The objectives of these schemes are to improve the ambience of the participating Government offices as well as to improve art appreciation amongst Government staff.

Heritage materials are subject to write-off according to the Board's policy and \$12,000 (2009: \$113,711) for the Board and \$12,090 (2009: \$113,711) for the Group were written-off during the year in accordance to the Board's policy. During the year, heritage materials of \$14,920,040, which was donated in the prior financial year, was returned to the donor upon their subsequent request in November 2009.

Heritage assets received by the Group as donations are recognised at the valuation determined by the Group's panel of valuers consisting of professional staff at the time of receipt of the assets. Significant judgement is required in determining the valuation of the donated heritage assets. In making the judgement, the Group makes references to auction prices and transacted prices of similar assets. The amount of recorded heritage assets and accumulated surplus would differ if the Group made different judgements, resulting in different valuations being determined.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Note	BUILDING	MECHANICAL	AUDIO	FURNITURE,	MOTOR	WORK-IN-	TOTAL	
		IMPROVEMENTS	AND ELECTRICAL	VISUAL AND	AND OFFICE				
		\$	\$	\$	\$	VEHICLES	PROGRESS	\$	
Cost									
At 1 April 2008		312,779,976	12,932,804	8,592,018	12,124,368	10,280,341	65,900	664,651	357,440,058
Additions		158,780	76,020	288,216	402,777	1,019,415	-	12,907,809	14,853,017
Transfer from work-in-progress		9,988,088	-	-	-	-	-	(9,988,088)	-
Write-offs		-	(2,945)	(258,100)	(2,377,758)	(86,475)	-	-	(2,725,278)
At 31 March 2009		322,926,844	13,005,879	8,622,134	10,149,387	11,213,281	65,900	3,584,372	369,567,797
Transfer from PMB	13	-	-	-	96,020	62,866	-	-	158,886
Additions		658,903	57,484	89,712	420,669	693,663	-	32,525,449	34,445,880
Transfer from work-in-progress		20,451,897	-	-	-	-	-	(20,451,897)	-
Write-offs		(141,605)	(7,800)	(202,136)	(215,874)	(1,169,708)	-	-	(1,737,123)
At 31 March 2010		343,896,039	13,055,563	8,509,710	10,450,202	10,800,102	65,900	15,657,924	402,435,440
Accumulated Depreciation									
At 1 April 2008		160,021,050	10,595,497	6,788,751	9,727,629	8,130,260	65,900	-	195,329,087
Depreciation charge for the year		25,307,580	543,307	444,619	521,190	1,622,092	-	-	28,438,788
Write-offs		-	(2,763)	(256,539)	(2,377,760)	(86,474)	-	-	(2,723,536)
At 31 March 2009		185,328,630	11,136,041	6,976,831	7,871,059	9,665,878	65,900	-	221,044,339
Transfer from PMB	13	-	-	-	64,413	43,168	-	-	107,581
Depreciation charge for the year		25,208,192	544,640	438,245	558,706	1,441,757	-	-	28,191,540
Write-offs		(98,713)	(6,725)	(199,211)	(159,191)	(1,151,388)	-	-	(1,615,228)
At 31 March 2010		210,438,109	11,673,956	7,215,865	8,334,987	9,999,415	65,900	-	247,728,232
Carrying Amount									
At 1 April 2008		152,758,926	2,337,307	1,803,267	2,396,739	2,150,081	-	664,651	162,110,971
At 31 March 2009		137,598,214	1,869,838	1,645,303	2,278,328	1,547,403	-	3,584,372	148,523,458
At 31 March 2010		133,457,930	1,381,607	1,293,845	2,115,215	800,687	-	15,657,924	154,707,208

Notes to the Financial Statements

	Note	BUILDING IMPROVEMENTS	MECHANICAL AND ELECTRICAL EQUIPMENT	AUDIO VISUAL AND MICROGRAPHIC EQUIPMENT	FURNITURE, FITTINGS AND OFFICE EQUIPMENT	COMPUTERS	MOTOR VEHICLES	WORK-IN- PROGRESS	TOTAL
		\$	\$	\$	\$	\$	\$	\$	\$
Board									
Cost									
At 1 April 2008		312,373,341	12,872,470	8,592,019	10,548,482	10,248,549	-	664,651	355,299,512
Additions		158,780	76,020	288,216	402,777	1,019,415	-	12,907,809	14,853,017
Transfer from work-in-progress		9,988,088	-	-	-	-	-	(9,988,088)	-
Write-offs		-	(2,945)	(258,100)	(1,979,691)	(83,700)	-	-	(2,324,436)
At 31 March 2009		322,520,209	12,945,545	8,622,135	8,971,568	11,184,264	-	3,584,372	367,828,093
Transfer from PMB	13	-	-	-	96,020	62,866	-	-	158,886
Additions		404,598	57,484	89,712	392,348	693,666	-	32,468,782	34,106,590
Transfer from work-in-progress		20,451,897	-	-	-	-	-	(20,451,897)	-
Write-offs		(141,605)	(7,800)	(202,136)	(187,553)	(1,169,708)	-	-	(1,708,802)
At 31 March 2010		343,235,099	12,995,229	8,509,711	9,272,383	10,771,088	-	15,601,257	400,384,767
Accumulated Depreciation									
At 1 April 2008		159,826,670	10,535,163	6,788,751	8,151,860	8,098,467	-	-	193,400,911
Depreciation charge for the year		25,230,398	543,307	444,619	521,077	1,622,092	-	-	28,361,493
Write-offs		-	(2,763)	(256,539)	(1,979,693)	(83,699)	-	-	(2,322,694)
At 31 March 2009		185,057,068	11,075,707	6,976,831	6,693,244	9,636,860	-	-	219,439,710
Transfer from PMB	13	-	-	-	64,413	43,168	-	-	107,581
Depreciation charge for the year		25,116,880	544,640	438,245	555,461	1,441,757	-	-	28,096,983
Write-offs		(98,713)	(6,725)	(199,211)	(155,946)	(1,151,388)	-	-	(1,611,983)
At 31 March 2010		210,075,235	11,613,622	7,215,865	7,157,172	9,970,397	-	-	246,032,291
Carrying Amount									
At 1 April 2008		152,546,671	2,337,307	1,803,268	2,396,622	2,150,082	-	664,651	161,898,601
At 31 March 2009		137,463,141	1,869,838	1,645,304	2,278,324	1,547,404	-	3,584,372	148,388,383
At 31 March 2010		133,159,864	1,381,607	1,293,846	2,115,211	800,691	-	15,601,257	154,352,476

The amount of property, plant and equipment that had been fully depreciated for the Board and the Group as at 31 March 2010 was \$109,506,016 (2009: \$105,354,154) and \$111,647,327 (2009: \$107,495,465) respectively.

Notes to the Financial Statements

5 SUBSIDIARIES

	BOARD	
	2010	2009
	\$	\$
Unquoted ordinary shares, at cost	2	2

Details of the subsidiaries are as follows:

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	PERCENTAGE OF EQUITY HELD	
			2010 %	2009 %
The Museum Shop Pte Ltd *	Dormant	Singapore	100	100
Singapore Philatelic Museum #	Philatelic	Singapore	100	100
The National Art Gallery, Singapore #	Arts and culture	Singapore	100	-

* Not required to be audited by law in the country of incorporation

Audited by KPMG LLP

6 PREPAID LEASES

	GROUP AND BOARD
	\$
Cost	
At 1 April 2007, 31 March 2008 and 31 March 2009	<u>1,945,423</u>
Accumulated amortisation	
At 1 April 2008	259,389
Amortisation charge for the year	<u>64,846</u>
At 31 March 2009	324,235
Amortisation charge for the year	<u>64,846</u>
At 31 March 2010	<u>389,081</u>
Carrying amount	
At 1 April 2008	<u>1,686,034</u>
At 31 March 2009	<u>1,621,188</u>
At 31 March 2010	<u>1,556,342</u>

Notes to the Financial Statements

These relate to lease payments made in advance for the use of the land on which the Ford Factory Building museum resides. The amortisation of the prepaid lease is recognised in the statement of comprehensive income (surplus or deficit) over the term of the lease.

7 AVAILABLE-FOR-SALE INVESTMENT

	GROUP AND BOARD	
	2010	2009
	\$	\$
Unquoted equity securities	50,000	50,000

The Group states its unquoted equity securities at cost less impairment losses as these securities do not have a quoted market price in an active market and hence its fair value cannot be measured reliably.

8 HELD-TO-MATURITY INVESTMENT

	GROUP		BOARD	
	2010	2009	2010	2009
	\$	\$	\$	\$
Quoted debentures issued by statutory boards	-	202,085	-	-
Market value of statutory board debentures	-	203,174	-	-

In the prior year, the held-to-maturity investments comprise quoted debt instruments, with a notional value of \$200,000 and fixed coupon rate of 5.07% per annum. The debt instruments had matured on 21 September 2009. Interest was received on a semi-annual basis.

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		BOARD	
	2010	2009	2010	2009
	\$	\$	\$	\$
Interest receivable	108,556	34,249	98,262	21,620
Other receivables (net)	2,754,785	2,854,255	2,653,604	2,837,252
Deposits	587,737	61,707	497,377	61,157
Loans and receivables	3,451,078	2,950,211	3,249,243	2,920,029
Prepayments	1,594,065	1,602,440	1,588,083	1,582,433
	<u>5,045,143</u>	<u>4,552,651</u>	<u>4,837,326</u>	<u>4,502,462</u>

The maximum exposure to credit risk for other receivables (excluding deposits and prepayments) at reporting date is represented by the carrying amount in the statement of financial position.

Notes to the Financial Statements

The Group's exposure to credit risk arises through its loans and receivables. Concentration of credit risk relating to loans and receivables is limited due to the Group's many varied debtors. Based on the Group's historical experience in the collection of accounts receivable, management believes that no additional allowance is required beyond amounts provided for on the outstanding balances.

Impairment losses

The ageing of loans and receivables at reporting date is:

	GROSS 2010 \$	IMPAIRMENT 2010 \$	GROSS 2009 \$	IMPAIRMENT 2009 \$
Group				
Not past due	2,964,198	-	2,523,187	-
Past due 0 – 30 days	314,241	-	161,475	-
Past due 31 – 365 days	165,453	-	236,950	-
More than one year	7,186	-	68,859	40,260
	<u>3,451,078</u>	<u>-</u>	<u>2,990,471</u>	<u>40,260</u>
Board				
Not past due	2,790,220	-	2,494,648	-
Past due 0 – 30 days	304,834	-	159,832	-
Past due 31 – 365 days	147,003	-	236,950	-
More than one year	7,186	-	68,859	40,260
	<u>3,249,243</u>	<u>-</u>	<u>2,960,289</u>	<u>40,260</u>

Movements in allowance for doubtful receivables during the financial year are as follows:

	2010 \$	2009 \$
At 1 April	40,260	120,812
Allowance made during the year	-	21,146
Allowance utilised during the year	(40,260)	(101,698)
At 31 March	<u>-</u>	<u>40,260</u>

Notes to the Financial Statements

10 CASH AND CASH EQUIVALENTS

	GROUP		BOARD	
	2010 \$	2009 \$	2010 \$	2009 \$
Cash and bank balances	81,098,892	58,587,640	78,273,276	58,539,139
Fixed deposits	31,621,687	35,800,528	24,793,771	29,093,516
	<u>112,720,579</u>	<u>94,388,168</u>	<u>103,067,047</u>	<u>87,632,655</u>
Less: Cash managed by AGD through centralised liquidity management	(82,440,473)	-		
Cash and cash equivalents in the consolidated statement of cash flows	<u>30,280,106</u>	<u>94,388,168</u>		

The weighted average effective interest rate per annum of fixed deposits at the reporting date was 0.4% (2009: 1.04%). Interest rates reprice upon maturity of the fixed deposits, which are rolled-over at intervals of three, six or twelve months.

11 CAPITAL

	GROUP AND BOARD	
	NO. OF SHARES 2010	NO. OF SHARES 2009
At beginning of the year	27,571,795	5,221,480
Issued of shares	13,199,710	22,350,315
At end of year	<u>40,771,505</u>	<u>27,571,795</u>

The capital account represents equity injections by the Ministry of Finance (“MOF”) in its capacity as shareholder under the debt-equity framework for statutory boards, implemented with effect from 1 September 2004. Under this framework, capital projects will be partially funded by MOF as equity injection, and the remaining through loans or general funds of the Board.

During the year, the Board issued 13,199,710 (2009: 22,350,315) shares at \$1 each. The shares have been fully paid for and are held by the MOF, a body incorporated by the Ministry for Finance (Incorporation) Act (Chapter 183, 1985 Realised edition). The holders of shares are entitled to returns on equity from time to time.

Capital management

The Board’s objectives when managing capital is to maintain a strong capital base so as to sustain its operations and the future development of the Board. The capital structure of the Board mainly consists of capital received from its equity holder and grants from the government.

There were no changes in the Board’s approach to capital management during the year. The Board is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

12 HERITAGE CAPITAL RESERVE

Note	GROUP			BOARD		
	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)
Heritage materials:						
At beginning of the year, as previously stated	258,393,016	165,246,448	157,261,639	258,228,236	165,246,448	157,261,639
Changes in accounting policy	30 (168,807,943)	(75,950,124)	(72,475,604)	(168,643,163)	(75,950,124)	(72,475,604)
At beginning of the year, as restated	89,585,073	89,296,324	84,786,035	89,585,073	89,296,324	84,786,035
Acquisitions from government grants	3, 16 & 17 104,396	356,460	4,510,289	104,396	356,460	4,510,289
Write-off	(12,090)	(67,711)	-	(12,000)	(67,711)	-
At end of the year	89,677,379	89,585,073	89,296,324	89,677,469	89,585,073	89,296,324
Philatelic assets transferred from Infocomm Development Authority of Singapore:						
Balance at beginning and at end of the year	3,270,363	3,270,363	3,270,363	-	-	-
	92,947,742	92,855,436	92,566,687	89,677,469	89,585,073	89,296,324

The heritage capital reserve comprises grants from the Government utilised for the purchase of heritage materials, contributions from other organisations and persons in the form of heritage materials for the establishment of the Board (see note 3) and philatelic assets of the subsidiary transferred from Infocomm Development Authority of Singapore ("IDA") as a member of the subsidiary from 1995 to 2001.

13 ACCUMULATED SURPLUS

(a) General Fund (others)

Income and expenditure relating to the main activities of the Group and Board are accounted for through the general fund in the statements of comprehensive income. General fund (others) excludes income and expenditure relating to general fund (heritage materials and property, plant and equipment) as stipulated below.

With effect from 1 July 2009, under the direction of MICA, the Preservation of Monuments Board (PMB) was merged with the Board as part of an on-going move for the smaller statutory boards to merge with larger ones to facilitate the pooling of resources and expertise for greater efficiency. As both the Board and PMB are statutory boards under the MICA, the assets and liabilities are accounted for from the date that the common control business combination occurs.

Notes to the Financial Statements

The impact of the merger of PMB with the Board has the following effect on the Board and the Group's financial statements:

	\$
Plant and equipment	51,305
Other receivables	307,953
Cash and cash equivalents	4,092,033
Other payables	(727,587)
Deferred capital grants	(51,305)
Grants received in advance	(1,000,000)
Deferred donations	(1,618,630)
	<u>1,053,769</u>

(b) General Fund (heritage materials and property, plant and equipment)

Income and expenditure relating to donation-in-kind (comprising heritage materials and property, plant and equipment), as well as non-government grants used for the purchase of heritage materials and property, plant and equipment. Heritage materials received by the Group as donations are not intended for trading or for sale.

(c) Restricted Funds

The Group's restricted funds comprise donations received for specific purposes for which there are restrictions on the Group in relation to the application of those funds. This includes specific donations received for exhibitions and programs as well as for the philatelic fund. The basis of accounting in relation to these funds is as stipulated in Note 2. Funds related to the Singapore Philatelic fund and the National Art Gallery Fund are included in the Group's restricted funds but not in the Board's restricted funds as it is funds held by a subsidiary of the Group but constitute trust funds at the Board.

Restricted funds comprise the following:

NAME OF FUND	PURPOSE
Singapore Philatelic Fund	Promoting and stimulating an interest in philately, managing the philatelic archival materials, and establishing and managing a postal museum, the Singapore Philatelic Museum.
National Art Gallery Fund	For the pre-opening operating expenditure of the National Art Gallery, Singapore to build Singapore as a regional hub for visual arts and to focus on the display, promotion, research and study of Southeast Asian art, including Singapore art.
Heritage Institution Fund	Supporting the redevelopment of the 3 heritage institutions (HIs), namely the Malay Heritage Centre (MHC), Sun Yat Sen Nanyang Memorial Hall (SYSNMH) and the proposed Indian Heritage Centre (IHC), as well as the operations of the HIs to ensure the long-term sustainability of the different institutions.
Other Funds	Set up for purposes relating to the Board and the Group's operations.

Notes to the Financial Statements

The breakdown of the income, expenditure, assets and liabilities of the restricted funds for the Group are as follows:

Group	SINGAPORE PHILATELIC FUND		NATIONAL ART GALLERY FUND		HERITAGE INSTITUTION FUNDS		OTHER FUNDS		TOTAL	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income										
Contribution and cash donations	-	-	-	-	17,242	-	3,135,489	2,516,050	3,152,731	2,516,050
Admission fees	-	-	-	-	87,736	-	-	-	87,736	-
Rental income	-	-	-	-	16,007	-	-	-	16,007	-
Interest income	102,840	-	-	-	-	-	-	-	102,840	-
Workshop/Seminars	-	-	-	-	53,967	-	-	-	53,967	-
Commission/royalties/consignment	-	-	-	-	5	-	-	-	5	-
Others	-	-	-	-	3,544	-	-	-	3,544	-
	102,840	-	-	-	178,501	-	3,135,489	2,516,050	3,416,830	2,516,050
Expenditure										
Staff costs	-	-	(1,911,902)	-	(1,145,177)	-	-	(637)	(3,057,079)	(637)
Depreciation of property, plant and equipment	-	-	(17,373)	-	(6,885)	-	(201,829)	(252,829)	(226,087)	(252,829)
Rental of premises/equipment	-	-	(241,218)	-	(41,188)	-	-	-	(282,406)	-
Utilities	-	-	(6,402)	-	(145,763)	-	-	-	(152,165)	-
Exhibition expenses	-	-	-	-	(270,263)	-	(1,780,411)	(1,433,493)	(2,050,674)	(1,433,493)
Repairs and maintenance	-	-	(7,671)	-	(206,163)	-	(660,162)	(7,691)	(873,996)	(7,691)
Other services and fees	-	-	(2,316,339)	-	(60,182)	-	(287,807)	(541,039)	(2,664,328)	(541,039)
Goods and services tax expenses	-	-	(403,780)	-	-	-	(862)	-	(404,642)	-
Supplies and materials	-	-	(105,301)	-	(28,600)	-	(11,474)	(194,656)	(145,375)	(194,656)
Publicity and public relations	-	-	(12,254)	-	(174,129)	-	(360,071)	(315,140)	(546,454)	(315,140)
Security systems and services	-	-	(2,383)	-	(70,925)	-	(5,595)	(50)	(78,903)	(50)
Staff welfare and development	-	-	(33,730)	-	(4,710)	-	(5,906)	(7,231)	(44,346)	(7,231)
Transport, postage and communications	-	-	(38,120)	-	(22,178)	-	(9,655)	(11,240)	(69,953)	(11,240)
Freight charges	-	-	(1,870)	-	(1)	-	(13,546)	(4,873)	(15,417)	(4,873)
Fixed assets written-off	-	-	(25,076)	-	-	-	-	-	(25,076)	-
	-	-	(5,123,419)	-	(2,176,164)	-	(3,337,318)	(2,768,879)	(10,636,901)	(2,768,879)
Surplus/(Deficit) before grants	102,840	-	(5,123,419)	-	(1,997,663)	-	(201,829)	(252,829)	(7,220,071)	(252,829)
Grants received from Government	-	-	5,080,970	-	1,990,778	-	-	-	7,071,748	-
Deferred capital grants amortised	-	-	42,449	-	6,885	-	201,829	252,829	251,163	252,829
Net surplus/(deficit) for the year	102,840	-	-	-	-	-	-	-	102,840	-
Accumulated surplus at 1 April	4,052,323	4,052,323	-	-	-	-	-	-	4,052,323	4,052,323
Accumulated surplus at 31 March	4,155,163	4,052,323	-	-	-	-	-	-	4,155,163	4,052,323
Represented by:										
Cash and cash equivalents	4,155,163	4,052,323	2,172,479	-	-	-	-	-	6,327,642	4,052,323
Less: grants received in advance	-	-	(2,172,479)	-	-	-	-	-	(2,172,479)	-
	4,155,163	4,052,323	-	-	-	-	-	-	4,155,163	4,052,323

Notes to the Financial Statements

The breakdown of the income, expenditure, assets and liabilities of the restricted funds for the Board are as follows:

Board	HERITAGE INSTITUTION FUNDS		OTHER FUNDS		TOTAL	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Income						
Contribution and cash donations	17,242	-	3,135,489	2,516,050	3,152,731	2,516,050
Admission fees	87,736	-	-	-	87,736	-
Rental income	16,007	-	-	-	16,007	-
Workshop/Seminars	53,967	-	-	-	53,967	-
Commission/royalties/consignment	5	-	-	-	5	-
Others	3,544	-	-	-	3,544	-
	178,501	-	3,135,489	2,516,050	3,313,990	2,516,050
Expenditure						
Staff costs	(1,145,177)	-	-	(637)	(1,145,177)	(637)
Depreciation of property, plant and equipment	(6,885)	-	(201,829)	(252,829)	(208,714)	(252,829)
Rental of premises/equipment	(41,188)	-	-	-	(41,188)	-
Utilities	(145,763)	-	-	-	(145,763)	-
Exhibition expenses	(270,263)	-	(1,780,411)	(1,433,493)	(2,050,674)	(1,433,493)
Repairs and maintenance	(206,163)	-	(660,162)	(7,691)	(866,325)	(7,691)
Other services and fees	(60,182)	-	(287,807)	(541,039)	(347,989)	(541,039)
Goods and services tax expenses	-	-	(862)	-	(862)	-
Supplies and materials	(28,600)	-	(11,474)	(194,656)	(40,074)	(194,656)
Publicity and public relations	(174,129)	-	(360,071)	(315,140)	(534,200)	(315,140)
Security systems and services	(70,925)	-	(5,595)	(50)	(76,520)	(50)
Staff welfare and development	(4,710)	-	(5,906)	(7,231)	(10,616)	(7,231)
Transport, postage and communications	(22,178)	-	(9,655)	(11,240)	(31,833)	(11,240)
Freight charges	(1)	-	(13,546)	(4,873)	(13,547)	(4,873)
	(2,176,164)	-	(3,337,318)	(2,768,879)	(5,513,482)	(2,768,879)
Deficit before grants	(1,997,663)	-	(201,829)	(252,829)	(2,199,492)	(252,829)
Grants received from Government	1,990,778	-	-	-	1,990,778	-
Deferred capital grants amortised	6,885	-	201,829	252,829	208,714	252,829
Net deficit for the year	-	-	-	-	-	-
Accumulated surplus at 1 April	-	-	-	-	-	-
Accumulated surplus at 31 March	-	-	-	-	-	-

Notes to the Financial Statements

14 DEFERRED CAPITAL GRANTS

Note	GROUP			BOARD		
	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)
Balance at beginning of the year, as previously stated	143,663,627	163,092,416	177,608,037	143,663,627	163,092,416	177,608,037
Changes in accounting policy	30 (1,875,701)	(1,515,633)	(1,623,498)	(1,875,701)	(1,515,633)	(1,623,498)
Balance at beginning of the year, as restated	141,787,926	161,576,783	175,984,539	141,787,926	161,576,783	175,984,539
Add:						
Transfer from Preservation of Monuments Board	13 51,305	-	-	51,305	-	-
Grants received for capital expenditure transferred from Government grants	16 & 17 12,915,679	7,868,399	12,887,675	12,601,462	7,868,399	12,887,675
Less:						
Grants taken to statement of comprehensive income						
- depreciation of property, plant and equipment	28,114,357	27,590,668	27,200,390	28,096,983	27,590,668	27,200,390
- amortisation of prepaid leases	64,846	64,846	64,846	64,846	64,846	64,846
- on write-offs of property, plant and equipment	97,926	1,742	30,195	97,927	1,742	30,195
	28,277,129	27,657,256	27,295,431	28,259,756	27,657,256	27,295,431
Balance at end of the year, as restated	126,477,781	141,787,926	161,576,783	126,180,937	141,787,926	161,576,783

15 OTHER PAYABLES

	GROUP		BOARD	
	2010 \$	2009 \$	2010 \$	2009 \$
Accruals for staff costs	5,740,321	3,800,735	5,318,346	3,800,735
Other payables	13,852,852	11,403,170	13,335,744	11,168,056
	19,593,173	15,203,905	18,654,090	14,968,791

Other payables mainly comprise amounts due to vendors for exhibition expenses, purchase of heritage materials and maintenance services.

The contractual undiscounted cash flows of other payables are equivalent to their carrying amount and are expected to occur within one year.

Notes to the Financial Statements

16 GRANTS RECEIVED IN ADVANCE – BOARD

	Note	TOTAL		CAPITAL GRANT		OPERATING GRANT	
		2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Balance at beginning of the year		33,268,875	21,314,092	7,425,095	3,864,428	25,843,780	17,449,664
Transfer from PMB	13	1,000,000	-	-	-	1,000,000	-
Grants received during the year		100,237,364	90,519,320	6,370,677	8,400,071	93,866,687	82,119,249
		<u>134,506,239</u>	<u>111,833,412</u>	<u>13,795,772</u>	<u>12,264,499</u>	<u>120,710,467</u>	<u>99,568,913</u>
Amounts transferred to heritage capital reserve	12	(104,396)	(356,460)	(87,518)	(356,460)	(16,878)	-
Amounts transferred to deferred capital grants	14	(12,601,462)	(7,868,399)	(10,856,925)	(4,242,970)	(1,744,537)	(3,625,429)
Amounts transferred to statement of comprehensive income		<u>(75,287,972)</u>	<u>(70,339,678)</u>	<u>(947,629)</u>	<u>(239,974)</u>	<u>(74,340,343)</u>	<u>(70,099,704)</u>
Balance at end of the year		<u>46,512,409</u>	<u>33,268,875</u>	<u>1,903,700</u>	<u>7,425,095</u>	<u>44,608,709</u>	<u>25,843,780</u>
Total grants received since establishment		<u>1,102,268,946</u>	<u>1,001,031,582</u>	<u>414,893,485</u>	<u>408,522,808</u>	<u>687,375,461</u>	<u>592,508,774</u>

The balance of \$1,903,700 (2009: \$7,425,095) in capital grants as at 31 March 2010 comprises amounts earmarked for projects-in-progress as well as amounts earmarked for projects where progress has been slightly delayed.

17 GRANTS RECEIVED IN ADVANCE – GROUP

	Note	TOTAL		CAPITAL GRANT		OPERATING GRANT	
		2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Balance at beginning of the year		33,268,875	21,314,092	7,425,095	3,864,428	25,843,780	17,449,664
Transfer from PMB	13	1,000,000	-	-	-	1,000,000	-
Grants received during the year		108,570,191	90,698,301	6,370,677	8,400,071	102,199,514	82,298,230
		<u>142,839,066</u>	<u>112,012,393</u>	<u>13,795,772</u>	<u>12,264,499</u>	<u>129,043,294</u>	<u>99,747,894</u>
Amounts transferred to heritage capital reserve	12	(104,396)	(356,460)	(87,518)	(356,460)	(16,878)	-
Amounts transferred to deferred capital grants	14	(12,915,679)	(7,868,399)	(10,856,925)	(4,242,970)	(2,058,754)	(3,625,429)
Amounts transferred to consolidated statement of comprehensive income		<u>(81,534,442)</u>	<u>(70,518,659)</u>	<u>(947,629)</u>	<u>(239,974)</u>	<u>(80,586,813)</u>	<u>(70,278,685)</u>
Balance at end of the year		<u>48,284,549</u>	<u>33,268,875</u>	<u>1,903,700</u>	<u>7,425,095</u>	<u>46,380,849</u>	<u>25,843,780</u>
Total grants received since establishment		<u>1,110,780,754</u>	<u>1,001,210,563</u>	<u>414,893,485</u>	<u>408,522,808</u>	<u>695,887,269</u>	<u>592,687,755</u>

The balance of \$1,903,700 (2009: \$7,425,095) in capital grants as at 31 March 2010 comprises amounts earmarked for projects-in-progress as well as amounts earmarked for projects where progress has been slightly delayed.

Notes to the Financial Statements

18 DEFERRED DONATIONS

Note	GROUP			BOARD		
	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)	2010 \$	2009 \$ (RESTATED)	2008 \$ (RESTATED)
At beginning of the year	14,159,400	12,269,498	13,301,168	14,149,728	12,258,909	12,826,559
Add:						
Transfer from PMB	1,618,630	-	-	1,618,630	-	-
Donations received during the year	18,882,006	3,606,795	2,108,434	18,399,419	3,246,796	2,108,204
	<u>34,660,036</u>	<u>15,876,293</u>	<u>15,409,602</u>	<u>34,167,777</u>	<u>15,505,705</u>	<u>14,934,763</u>
Less:						
Amounts transferred to the statements of comprehensive income	(1,761,751)	(1,716,893)	(2,140,104)	(1,328,543)	(1,355,977)	(1,675,854)
Refund to donors	-	-	(1,000,000)	-	-	(1,000,000)
At end of the year	<u>32,898,285</u>	<u>14,159,400</u>	<u>12,269,498</u>	<u>32,839,234</u>	<u>14,149,728</u>	<u>12,258,909</u>

For the year ended 31 March 2008, the refund to donors relates to amounts refunded to the National University of Singapore in relation to excess donations received for the Singapore history documentary project.

Included in deferred donations as at 31 March 2010 are donations received from Tote Board for the development of the National Art Gallery amounting to \$17,171,795. The relevant restrictions and conditions attached to this donation are stated in note 32.

The remaining deferred donations mainly relate to donations received for specific purposes such as for exhibitions or purchase of certain heritage materials. In accordance with the Charities (Institutions of a Public Character) Regulations 2007 section 11, paragraph 7, any unutilised specific donations is to be refunded to the donor or be used for purposes approved by the Sector Administrator. As such, the recognition of such donations are deferred until the Board and the Group have control of these donations.

19 NET ASSETS OF TRUST FUNDS

The basis of accounting in relation to trust funds is stipulated in note 2.

The nature of the trust funds of the Board is as below:

- Philatelic fund which is established for the purpose of promoting and stimulating an interest in philately, managing the philatelic archival materials, and establishing and managing a postal museum, the Singapore Philatelic Museum. Any use of the philatelic fund which is not in accordance with the purposes and guidelines requires the prior approval of the Board. The philatelic fund has been presented as a restricted fund in the Group's consolidated financial statements as the fund is held on behalf for a subsidiary of the Group, Singapore Philatelic Museum.
- Funds that are held on behalf of the ASEAN Committee ("ASEAN COCI") as the Board manages projects on Culture and Information, on behalf of and which are funded by the ASEAN Committee.
- National Art Gallery Fund that is held on behalf of its subsidiary, The National Art Gallery, Singapore for the use in the operating activities of the subsidiary.

The Group's trust funds solely comprise funds that are held on behalf of the ASEAN committee.

Notes to the Financial Statements

The break-down below of the income, expenditure and assets of the trust funds have been prepared from the records of the trust funds and reflect only the transactions handled by the Board and the Group.

	← BOARD →						GROUP			
	PHILATELIC FUND		ASEAN COCI FUND		NATIONAL ART GALLERY FUND		TOTAL		ASEAN COCI FUND	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Statement of comprehensive income of Trust Funds										
Income										
Interest income	102,840	-	-	-	-	-	102,840	-	-	-
Other income	-	-	104,508	35,844	-	-	104,508	35,844	104,508	35,844
	102,840	-	104,508	35,844	-	-	207,348	35,844	104,508	35,844
Expenditure										
Staff costs	-	-	-	-	(1,911,902)	-	(1,911,902)	-	-	-
Depreciation of property, plant and equipment	-	-	-	-	(17,373)	-	(17,373)	-	-	-
Rental of premises/equipment	-	-	-	-	(241,218)	-	(241,218)	-	-	-
Utilities	-	-	-	-	(6,402)	-	(6,402)	-	-	-
Exhibition expenses	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	(7,671)	-	(7,671)	-	-	-
Other services and fees	-	-	(81,385)	(45,999)	(2,568,339)	-	(2,649,724)	(45,999)	81,385	45,999
Goods and services tax expenses	-	-	-	-	(403,780)	-	(403,780)	-	-	-
Supplies and materials	-	-	-	-	(105,301)	-	(105,301)	-	-	-
Publicity and public relations	-	-	-	-	(12,254)	-	(12,254)	-	-	-
Security systems and services	-	-	-	-	(2,383)	-	(2,383)	-	-	-
Staff welfare and development	-	-	-	-	(33,730)	-	(33,730)	-	-	-
Transport, postage and communications	-	-	-	-	(38,120)	-	(38,120)	-	-	-
Freight charges	-	-	-	-	(1,870)	-	(1,870)	-	-	-
Fixed assets written-off	-	-	-	-	(25,076)	-	(25,076)	-	-	-
	-	-	(81,385)	(45,999)	(5,375,419)	-	(5,456,804)	(45,999)	81,385	45,999
Surplus/(Deficit) before grants	102,840	-	23,123	(10,155)	(5,375,419)	-	(5,249,456)	(10,155)	23,123	(10,155)
Grants received from Government	-	-	-	-	5,332,970	-	5,332,970	-	(10,811)	-
Deferred capital grants amortised	-	-	-	-	42,449	-	42,449	-	-	-
Net surplus/(deficit) for the year	102,840	-	23,123	(10,155)	-	-	125,963	(10,155)	12,312	(10,155)
Return of funds	-	-	(10,811)	-	-	-	(10,811)	-	-	-
Accumulated surplus at 1 April	4,052,323	4,052,323	14,505	24,660	-	-	4,066,828	4,076,983	14,505	24,660
Accumulated surplus at 31 March	4,155,163	4,052,323	26,817	14,505	-	-	4,181,980	4,066,828	26,817	14,505
Represented by:										
Assets										
Plant and equipment	-	-	-	-	240,174	-	240,174	-	-	-
Deposits	-	-	-	-	119,810	-	119,810	-	-	-
Cash and cash equivalents	4,155,163	4,052,323	26,817	14,505	2,222,484	-	6,404,464	4,066,828	26,817	14,505
	4,155,163	4,052,323	26,817	14,505	2,582,468	-	6,764,448	4,066,828	26,817	14,505
Liabilities										
Deferred capital grants	-	-	-	-	240,174	-	240,174	-	-	-
Provision for restoration cost	-	-	-	-	79,527	-	79,527	-	-	-
Other payables and accrued operating expenses	-	-	-	-	440,627	-	440,627	-	-	-
Grants received in advance	-	-	-	-	1,772,140	-	1,772,140	-	-	-
Donations received in advance	-	-	-	-	50,000	-	50,000	-	-	-
	-	-	-	-	2,582,468	-	2,582,468	-	-	-
Net assets	4,155,163	4,052,323	26,817	14,505	-	-	4,181,980	4,066,828	26,817	14,505

Notes to the Financial Statements

20 STAFF COSTS

	GROUP		BOARD	
	2010 \$	2009 \$	2010 \$	2009 \$
Key management personnel				
- short-term employee benefits	2,869,954	2,214,166	2,181,748	1,819,283
Other employees				
- short-term employee benefits	27,339,428	23,233,769	25,325,591	22,855,189
- post-employment benefits	3,912	3,820	3,912	3,820
	<u>30,213,294</u>	<u>25,451,755</u>	<u>27,511,251</u>	<u>24,678,292</u>
Employer's contribution to Central Provident Fund included in short-term employee benefits	<u>3,512,818</u>	<u>2,886,238</u>	<u>2,164,739</u>	<u>2,806,327</u>

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The Chief Executive Officer and Directors are considered key management personnel of the Group.

21 PUBLICITY AND PUBLIC RELATIONS AND TRANSPORT, POSTAGE AND COMMUNICATIONS

	GROUP		BOARD	
	2010 \$	2009 \$	2010 \$	2009 \$
Travel-related expenses	284,642	221,753	257,419	221,216
Entertainment	<u>60,038</u>	<u>54,332</u>	<u>51,875</u>	<u>47,821</u>

22 BOARD MEMBERS' ALLOWANCES

	GROUP (2010) ALLOWANCE PER ANNUM	
	MAIN BOARD \$	SUB-BOARDS \$
Chairman	15,000	-
Non-Public Sector Officers		
Chairman of Exco/Audit Committee	11,250	-
Member of Exco/Audit Committee and Chairman of Sub-boards	7,500	-
Members	3,750	1,875
Public Sector Officers		
Member of Exco/audit Committee and Chairman of Sub-boards	7,500	-
Members	<u>3,750</u>	<u>1,875</u>

Notes to the Financial Statements

National Heritage Board (referred to as "Main Board") has four sub-boards, namely Asia Civilization Museums Board, National Archives of Singapore Board, National Museum of Singapore Board and Singapore Art Museum Board (referred to as "Sub-boards").

23 (DEFICIT)/SURPLUS FOR THE YEAR BEFORE INCOME TAX

The following items have been included in arriving at (deficit)/surplus for the year before income tax:

	GROUP		BOARD	
	2010	2009	2010	2009
	\$	\$	\$	\$
Allowance for doubtful receivables	-	21,246	-	21,246
Amortisation of bond premium	2,085	4,240	-	-

24 INCOME TAX EXPENSE

The National Heritage Board is a tax-exempted institution under the provisions of the Income Tax Act (Cap. 134, 2004 Revised Edition).

The subsidiary, Singapore Philatelic Museum ("SPM"), is registered as a charity under the Charity Act 1994. Prior to the Year of Assessment 2008, the Company is exempted from tax as at least 80% of its income is applied for charitable purposes. With effect from Year of Assessment 2008, the Company will enjoy automatic income tax exemption without being required to meet the 80% spending rule.

The subsidiary, The National Art Gallery ("TNAGS"), which is incorporated on 16 January 2009 was also registered as a charity under the Charity Act 1994, and will enjoy automatic income tax exemption without being required to meet the 80% spending rule.

25 NET SURPLUS FOR THE YEAR BEFORE DONATIONS-IN-KIND, HERITAGE MATERIALS/PROPERTY, PLANT AND EQUIPMENT ACQUIRED USING CASH DONATIONS, HERITAGE MATERIALS RETURNED TO A DONOR AND DONATED HERITAGE MATERIALS WRITTEN OFF

	GROUP		BOARD	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net (deficit)/surplus for the year	(12,209,895)	94,127,525	(12,469,122)	94,039,147
Less:				
Donations-in-kind	(1,658,263)	(92,678,735)	(1,655,763)	(92,513,955)
Heritage materials/property, plant and equipment acquired using cash donations	(255,303)	(1,355,977)	(255,303)	(1,355,977)
Add:				
Return of heritage materials to donors	14,920,040	-	14,920,040	-
Donated heritage materials (written back)/written off	(230)	46,000	(230)	46,000
	796,349	138,813	539,622	215,215

Notes to the Financial Statements

26 NATIONAL HERITAGE FUND

As at 31 March, receipts and utilisation of donations whereby tax-deductions are available are as follows:

	GROUP AND BOARD	
	2010	2009
	\$	\$
At 1 April	6,581,225	4,680,225
Add:		
Donations received during the year	2,200,875	5,953,853
Less:		
Expenditure during the year	(2,587,329)	(4,052,853)
At 31 March	<u>6,194,771</u>	<u>6,581,225</u>

27 PRESERVATION OF MONUMENTS FUND

As at 31 March, receipts and utilisation of donations whereby tax-deductions are available are as follows:

	GROUP AND BOARD
	2010
	\$
At 1 April	-
Add:	
Transfer from PMB	1,618,630
Donations received during the year	1,101,510
Less:	
Expenditure during the year	(655,162)
At 31 March	<u>2,064,978</u>

28 COMMITMENTS

As at 31 March, the Group and the Board have the following commitments are as follows:

	GROUP		BOARD	
	2010	2009	2010	2009
	\$	\$	\$	\$
(a) Capital commitments				
- contracted but not provided for	351,263	14,458,618	351,263	14,458,618
- authorised but not contracted for	25,509,137	16,733,998	25,509,137	16,733,998
	<u>25,860,400</u>	<u>16,882,616</u>	<u>25,860,400</u>	<u>16,882,616</u>

Notes to the Financial Statements

(b) Operating lease commitments where the Group is the lessee

The operating lease commitments relate to the leasing of office premises at the various museums, other heritage organisations and photocopiers. The leases of the office premises at various museums and other heritage organisations will expire between 30 April 2008 and 14 February 2011 and the current rent payable on the leases range from \$120 to \$182,465 per month and the photocopier is under a lease of 5 years.

At the reporting date, the commitments in respect of such cancellable operating leases were as follows:

	GROUP	
	2010	2009
	\$	\$
Not later than one year	11,521,147	9,370,003
Later than one year but not later than five years	9,880,040	12,534,040
	BOARD	
	2010	2009
	\$	\$
Not later than one year	11,131,905	9,361,795
Later than one year but not later than five years	9,168,815	12,503,806

(c) Operating lease commitments where the Group is the lessor

These lease commitments refers to rental income received from tenants carrying out businesses in the various museums and office premises. At the reporting date, the commitments in respect of such cancellable operating leases with a term of more than one year were as follows:

	GROUP AND BOARD	
	2010	2009
	\$	\$
Not later than one year	1,286,067	1,631,431
Later than one year but not later than five years	1,142,032	641,186

29 RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Board if the Board has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Board and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. With the adoption of SB-FRS by the Board, the Board need not comply with the requirements of paragraphs 17 to 22 of SB-FRS 24 with respect to the disclosures of transactions and balances with parent Ministry and other state-controlled entities.

During the financial year, other than as disclosed elsewhere in the financial statements, there are no other significant transactions with related parties which were carried out in the normal course of business.

Notes to the Financial Statements

30 PRIOR YEAR ADJUSTMENT

On 1 April 2009, the Group changed its accounting policy upon the adoption of SB-FRS Guidance Note 2 Accounting and Disclosures for Donations in relation to the accounting for donations whereby all donations, whether of cash or assets would be recognised in the statement of comprehensive income (surplus or deficit) in the period it is received or receivable when the Group has obtained control of the donation or the right to receive the donation, the amount of the donation can be measured reliably and it is probable that the economic benefits comprising the donation will flow to the Group. Previously, the Group accounts for donated heritage materials and heritage materials purchased using cash donations in the heritage capital reserve while property, plant and equipment purchased using cash donations are taken to the deferred capital grant account and recognised in the statement of comprehensive income (surplus or deficit) over the periods necessary to match the depreciation/write-off and/or impairment loss of the assets purchased.

The change in accounting policy has been applied retrospectively and comparatives have been restated. The change in accounting policy had the following impact on the Group and Board's financial statements.

	INCREASE / (DECREASE)	
	GROUP	BOARD
	\$	\$
Statement of financial position		
As at 31 March 2008		
Heritage capital reserve	(75,950,124)	(75,950,124)
Deferred capital grant	(1,515,633)	(1,515,633)
Accumulated surplus – general fund (heritage material and property, plant and equipment)	<u>77,465,757</u>	<u>77,465,757</u>
As at 31 March 2009		
Heritage capital reserve	(168,807,943)	(168,643,163)
Deferred capital grant	(1,875,701)	(1,875,701)
Accumulated surplus – general fund (heritage material and property, plant and equipment)	171,454,469	171,289,689
Accumulated surplus – general fund (others)	<u>(770,825)</u>	<u>(770,825)</u>
Statement of comprehensive income		
For the year ended 31 March 2009		
Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donation	94,034,712	93,869,932
Deferred capital grant amortised	(770,825)	(770,825)
Donated heritage materials written-off	<u>(46,000)</u>	<u>(46,000)</u>

Notes to the Financial Statements

31 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

Risk management is integral to the whole activities of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Group continually monitors its risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

As at reporting date, the Group has no significant concentrations of credit risk. Cash and cash equivalents are placed with financial institutions which are regulated. In the prior year, approximately 67% of the cash of the Group and Board are placed with a single financial institution. In the current financial year, the AGD places the funds with various banks. The Group have adopted guidelines on extending credit terms to travel agencies which bring in visitors to their museums and continuously monitor credit worthiness by reviewing their financial status.

In a bid to manage its credit/settlement risk exposure, the Board only invests in government bonds or organisations with a minimum credit rating of "AAA" (Standard and Poor) or equivalent.

The maximum exposure to credit risk is represented by the carrying amounts of its financial assets in the statements of financial position.

Liquidity risk

The Group receives its funds from the Government of Singapore which are drawn down on a regular basis to meet its funding requirements, as well as donations from foundations, corporations and individuals. All excess cash from the Group's bank accounts are aggregated and centrally managed by the AGD on a daily basis.

Interest rate risk

Exposure to interest rate risk relate primarily to the interest-earning financial assets of the Group which mainly comprise fixed deposits. Hence, any variations in interest rates will not have a material impact on the results of the Group. At the reporting date, the Group does not have significant exposure to interest rate risk.

Foreign currency risk

The Group has exposure to foreign exchange risk as they purchase heritage materials and other assets in foreign currencies. These exposures are managed by obtaining matching Government grants and donations in foreign currencies. As at the reporting date, the Group did not have significant exposure to foreign currency risk.

Notes to the Financial Statements

Estimation of fair value

Available-for-sale investments

The unquoted equity securities are stated at cost less impairment losses as these securities do not have a quoted market price in an active market and its fair value cannot be measured reliably.

Investments in debt securities

The fair value of held-to-maturity investments was determined by reference to their quoted bid prices at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, deposits and prepayments, cash and cash equivalents and other payables) are assumed to approximate their fair values because of the short period to maturity.

32 DONATIONS – CONDITIONAL PROMISES

At the reporting date, the amount of conditional promises to give donations to the Group and the Board are as follows:

	GROUP AND BOARD	
	2010	2009
	\$	\$
Less than one year	29,455,000	-
Later than one year but not more than five years	251,670,000	-
More than five years	1,703,105	-
	<hr/>	

The donations are only received or receivable if the following conditions are met:

For every disbursement of donations

- (a) Upon receiving the cashflow projection signed by the Permanent Secretary of MICA, or his Authorised Representative that has to be first approved by Tote Board, showing the projected disbursement for the current period, reconciled against the actual expenditure for the immediate past period and the projected disbursement for the next period; and
- (b) Certification by an architect or building professional for the value of the works done, signed by the Permanent Secretary of MICA, or his Authorised Representative;

At the completion of the building and construction of the National Art Gallery

- (a) Report and certification by an architect or building professional that the project has been duly completed, signed by the Permanent Secretary of MICA, or his Authorised Representative.

Notes to the Financial Statements

Such conditional promise to give donations is also subjected to the following restrictions:

- (a) In the event that the donation is not fully exhausted at the end of the funding period i.e. financial year ended 31 March 2016, the surplus funds accruing to the Board (to be pro-rated based on the Board's share of the total project cost, where applicable), if already disbursed, must be returned to the donor;
- (b) In the event that the project is cancelled, all the donations that were previously disbursed are to be returned to Tote Board;
- (c) All donations are to be applied to the development cost of the National Art Gallery; and
- (d) Tote Board shall not be liable for any commitments entered into by MICA/NHB in the expectation of the receipt of funds from Tote Board.

33 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group and the Board have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the reporting date but are not yet effective:

Amendments to SB-FRS 32	<i>Financial Instruments: Presentation – Classification of Rights Issues</i>
Amendments to SB-FRS 39	<i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
Amendments to SB-FRS 101	<i>Amendments Relating to Additional Exemptions for First-time Adopters</i>
Amendments to SB-FRS 102	<i>Share-based Payment – Group cash-settled share-based payment transactions</i>
Amendments to SB-FRS 105	<i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell Controlling Interest in Subsidiary issued as part of Improvements to FRSs 2008</i>
Amendments to INT-SB-FRS 114	<i>Amendments relating to the Prepayment of a Minimum Funding Requirement</i>
SB-FRS 24 (revised)	<i>Related Party Disclosures</i>
SB-FRS 27 (revised)	<i>Consolidated and Separate Financial Statements</i>
SB-FRS 101 (revised)	<i>First-time adoption of FRS (improved structure)</i>
INT SB-FRS 117	<i>Distributions of Non-cash Assets to Owners</i>
INT SB-FRS 119	<i>Extinguishing Financial Liabilities with Equity Instruments</i>
SB-FRS 103 (revised)	<i>Business combinations</i>
Improvements to SB-FRSs 2009	

The Group is evaluating the initial application of the above standards and interpretation for the impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the reporting date.



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Conflict of Interest Policy

The National Heritage Board has implemented a conflict of interest policy that covers both Board members as well as staff. The documented procedures require Board members and staff to make a declaration of actual or potential conflict of interest situations at the start of their term of office and at the start of their employment respectively. Board members and staff are thereafter required to make such declarations on an annual basis.

Under the policy, a Conflict of Interest Committee has also been established. This committee will investigate all conflict of interest situations that are declared or otherwise uncovered to maintain the integrity of decisions made and actions taken at the National Heritage Board.



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**National
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