

FINANCIAL
STATEMENTS

ANNUAL REPORT 2016/2017
NATIONAL HERITAGE BOARD

OUR MANDATE

VISION

Pride in Our Past, Legacy for Our Future

Singaporeans who know and understand our history, and cherish the importance of leaving legacies toward a shared future.

MISSION

To Preserve and Celebrate Our Shared Heritage

NHB undertakes the roles of safeguarding and promoting the heritage of our diverse communities, for the purpose of education, nation-building and cultural understanding.

VALUES

Excellence

We strive to achieve the highest standard of professionalism in our work, constantly developing our core competencies and improving the quality of our service.

Passion

We are committed to and proud of what we do, believing strongly in the importance of our culture and heritage.

Integrity

We adhere steadfastly to a strict ethical code, respecting every individual and working as a team.

Creativity

We adopt an original and innovative approach to all we do, engaging in meaningful collaborations with our stakeholders.

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CORPORATE INFORMATION

NATIONAL HERITAGE BOARD

Mr Ong Yew Huat
Chairman
National Heritage Board

Mrs Rosa Daniel
Chief Executive Officer
National Heritage Board

Mrs Kelvyna Chan
Divisional Director, Curriculum
Planning & Development Division 2

Mr Warren Fernandez
Editor, The Straits Times,
Singapore Press Holdings

Dr Derek Heng
Associate Professor of Humanities
& Head of Studies (History)
– until 31 May 2016

Mr Vincent Hoong
Registrar,
Supreme Court of Singapore

Mr Gaurav Kripalani
Artistic Director,
Singapore Repertory Theatre

Mr Patrick Lee
Executive Chairman,
Sing Lun Holdings Limited

Mr Paul Ma
Chairman,
Mapletree Logistics Trust
Management Ltd

Dr Suriani Suratman
Senior Lecturer,
Department of Malay Studies,
National University of Singapore

Mr Michael Tay
Group Managing Director,
The Hour Glass Limited

Mr Tham Tuck Cheong
Managing Director,
CIAP Architects Pte Ltd

Mr Richard Eu
Group Chief Executive Officer,
Eu Yan Sang International Limited

Mr Zahidi Abdul Rahman
Architect,
Zahidi AR Arkitek

ASIAN CIVILISATIONS MUSEUM ADVISORY BOARD

Mr Loh Lik Peng
Chairman
Owner/Director,
Unlisted Collection

Mr Arrif Ziaudeen
CEO,
The Choep Group Pte Ltd

Professor Kwok Kian Woon
Professor of Sociology,
Nanyang Technological University

Mrs Maniza Jumabhoy

Dr Melanie Chew
Managing Director / Historian,
Resource Pacific Holdings

Ms Rachel Teo
Director,
Daniel Teo & Associates Pte Ltd

Mr Timothy Chia
Chairman,
Hup Soon Global Corporation
Pte Ltd

Mr Whang Shang Ying
Executive Director,
Lam Soon Singapore Pte Ltd

Mr Sherman Kwek
CEO-Designate,
City Developments Limited

We sincerely thank Ms Coonoor
Kripalani-Thadani and Mrs Deborah
Tan for their valuable contributions.

NATIONAL MUSEUM OF SINGAPORE ADVISORY BOARD

Mr Richard Eu
Chairman
Group Chief Executive Officer,
Eu Yan Sang International Limited

Associate Professor Albert Lau
Department of History,
National University of Singapore

Mr Ashvinkumar s/o Kantilal
Group Chief Operating Officer,
Architecture, Ong & Ong Pte Ltd

Mr Eric Chin
Director, National Archives of
Singapore; & General Counsel,
National Library Board

Professor Heng Chye Kiang
Dean,
School of Design & Environment,
National University of Singapore

Ms Ho Peng
Advisor, Ministry of Education

Mr John Koh

Brigadier-General Kenneth Liow
Chief Armour Officer,
Ministry of Defence

Mr Suhaimi Rafdi
Director, Tampines Town Hub,
People's Association

We sincerely thank Mr Baey Yam
Keng, Mrs Betty Chen, Mr Edward
Chia, Mr Eli Manasseh (Nash)
Benjamin, Ms Lee Huay Leng and
Mrs Vivienne Tan for their valuable
contributions.

INDIAN HERITAGE CENTRE ADVISORY BOARD

Ambassador Gopinath Pillai
Ambassador-at-Large;
Special Envoy to Andhra Pradesh,
Ministry of Foreign Affairs;
& Chairman of the Institute of South
Asian Studies, Singapore

Ambassador R Jeyachandran
High Commissioner to Mauritius;
Chairman,
Hindu Endowments Board;
& Board of Trustees for SINDA

Dr Ma Swan Hoo
Member, Advisory Board,
Apsaras Arts; & Member, Kwong
Wai Shiu Hospital Heritage Gallery
Advisory Committee

Professor Tan Tai Yong
Executive Vice President (Academic
Affairs) Yale-NUS College; &
Member, Institute of South Asian
Studies Management Board

Associate Professor Rajesh Rai
Associate Professor & Deputy Head,
South Asian Studies Programme,
National University of Singapore

Mr Haji Naseer Bin Ghani
Head of Department,
PE & CCA, New Town Primary;
& President, Singapore
Kadayanallur Muslim League

MALAY HERITAGE FOUNDATION BOARD OF DIRECTORS

Mdm Zuraidah binte Abdullah
Chairman
Domain Commander (Air),
Integrated Checkpoints Command
(Air Domain), Immigration &
Checkpoints Authority

Dr Suriani Suratman
Deputy Chairman
Senior Lecturer, Department of
Malay Studies, National University
of Singapore

Mr Edwin Ignatious M
Deputy Director (Legal),
Legal Services Section,
Agri-Food & Veterinary Authority

Dr Lai Ah Eng
Adjunct Senior Fellow,
University Scholars Programme,
National University of Singapore

Mr Muhammad Nazri Muhd
Executive Chairman &
Group CEO, Vector Scorecard
(Asia Pacific) Pte Ltd

Mdm Siti Habibah Siraj
Principal Architect, SZ Architects

Mr Zafilin Abdul Hamid
Deputy Director, Mother Tongue
Languages Branch, Curriculum
Planning and Development 1
Ministry of Education

Mr Zahidi Abd Rahman
Principal Architect,
Zahidi AR Arkitek

Mdm Zuraida Hj Md Din
Finance Manager,
Jamiyah Singapore

SUN YAT SEN NANYANG MEMORIAL HALL BOARD OF DIRECTORS

Mr Wu Hsioh Kwang
Chairman
Executive Chairman,
Straco Corporation Ltd

Mr Thomas Chua Kee Seng
Advisor
Chairman & Managing Director,
Teckwah Industrial Corporation Ltd

Mr Teo Siong Seng
Advisor
Managing Director,
Pacific International Lines (Pte) Ltd

Mr Adrian Peh Nam Chuan
Managing Director,
Yeo-Leong & Peh LLC

Mr Charles Ho Nai Chuen
Managing Director,
On Cheong Co Pte Ltd

Mr Francis Ko Oon Joo
Managing Director,
Hong Aik Property Pte Ltd

Mr Zhong Sheng Jian
Executive Chairman,
Yanlord Holdings Pte Ltd

Dr Lee Peng Shu
Chairman,
Tea Chapter Trading Pte Ltd

Mr Wan Shung Ming
Executive Director,
Tin Sing Goldsmiths Pte Ltd

Mr Chia Kim Huat
Company Secretary,
Regional Head (Corporate
& Transactional Practice),
Rajah & Tann Singapore LLP

SINGAPORE PHILATELIC MUSEUM BOARD

Mr Loh Lik Peng
– until 31 August 2016
Chairman
Managing Director,
Unlisted Collection Hotels &
Restaurants

Professor Cheah Jin Seng
Emeritus Consultant,
Department of Medicine, National
University Hospital (S) Pte Ltd

Dr Chua Eu Tiong
Head, Department of Radiation
Oncology, National Cancer Centre,
Singapore General Hospital

Mr Kennie Ting
Director, Asian Civilisations Museum
Group Director, Museums
National Heritage Board

Mr Lo Khee Tian Mark
Principal, St Andrew's Junior College

Mr Ong Tong San
Cluster Director, Competition &
Resilience Development, Infocomm
Media Development Authority

Mr Woo Keng Leong
CEO (Postal Services),
Singapore Post Ltd

MALAY LANGUAGE COUNCIL, SINGAPORE

Associate Professor
Muhammad Faishal Ibrahim
Chairman
Parliamentary Secretary,
Ministry of Education and
Ministry of Social and Family
Development

Associate Professor
Dr Hadijah Rahmat
Deputy Chairperson
Deputy Head of the Asian
Languages and Culture,
National Institute of Education,
Nanyang Technological University

Mr Tajudin Jaffar
Secretary
Assistant Director, Malay Language,
& Senior Specialist,
Ministry of Education

Mr Juffri Supa'at
Deputy Secretary
Senior Librarian,
National Library Board

Mr Abdul Harris Sumardi
Vice President, Malay Language
Teachers' Association

Dr Azhar Ibrahim Alwie
Visiting Fellow, Malay Studies,
National University of Singapore

Mr Hassan Salleh
Vice President, Programming,
Malay Broadcast Division,
MediaCorp

Mr Ibrahim Hassan
Executive Editor, Malay News &
Current Affairs, MediaCorp

Dr Intan Azura Binte Mokhtar
Member of Parliament,
Ang Mo Kio GRC

Dr Jazlan Joosoph
Specialist, Obstetrics and
Gynaecology, Raffles Women's
Centre, Raffles Hospital

Mr Mohd Saat Abdul Rahman
Editor, Berita Harian / Berita Minggu,
Singapore Press Holdings

Mr Omar Ismail
Acting Chairman, MESRA,
People's Association

Ms Rahayu Mahzam
Member of Parliament, Jurong GRC

Mr Sujimy Mohamad
Managing Director,
Screenbox Pte Ltd

Mr Zaqy Mohamad
Member of Parliament,
Chua Chu Kang GRC

Mr Farizan Md Amin
School Staff Developer,
Townsville Primary School

Mr Riz Sunawan
Head, Strategic Communications,
Strategic Unit, MUIS

Ms Aidli Mosbit
Section Head (Student
Development),
Temasek Polytechnic

Ms Nafisah Ismail
Assistant Director,
Media Analytics & Operations Dept,
Media Division
Translation Dept, Public
Communications Division, MCI

PRINCIPAL BANKER

DBS Bank Ltd
Maybank

CHARITY & IPC STATUS

National Heritage Board

UEN No: T08GB0036B

Charity Registration Date:
28 January 1995

Establishment Date:
1 August 1993

National Heritage Fund

UEN No.: T03CC1717K

Charity & IPC
Establishment Date:
1 August 2003

Effective Period:
1 August 2014 to 31 July 2017

Renewed Effective Period:
1 August 2017 to 31 July 2020

Preservation of Monuments Fund

UEN No.: T03CC1669C

Charity & IPC
Establishment Date:
21 March 2003

Effective Period:
1 January 2016 to
31 December 2017

CORPORATE INFORMATION

PROMOTE MANDARIN COUNCIL

Mr Seow Choke Meng
Chairman
Business Consultant, Chinese Media Group & Times Properties, Singapore Press Holdings Ltd

Mr Adrian Peh Nam Chuan
Managing Director,
Yeo-Leong & Peh LLC;
& Chairman, Culture, Education & Community Affairs Committee, Singapore Chinese Chamber of Commerce and Industry

Mr Alvin Pang
Director, The Literary Centre

Mr Charles Ho Nai Chuen
Managing Director,
On Cheong Co Pte Ltd; & Chairman,
Research & Publications Committee,
Singapore Chinese Chamber of
Commerce & Industry

Ms Chew Lee Ching
Managing Director,
Mandate Advertising International
Pte Ltd

Mr Chew Wee Kai
Chairman, Hua Language Centre

Ms Fanny Lai
Writer / Illustrator

Associate Professor Lee Cher Leng
Deputy Head,
Department of Chinese Studies,
National University of Singapore

Ms Lee Kuan Fung
Head, Digital Strategy,
Chinese Media Group,
Singapore Press Holdings Ltd

Mr Leong Weng Kam
Senior Writer, The Straits Times,
Singapore Press Holdings Ltd

Ms Loh Gek Khim
Director, Skills Development
Division, Singapore Workforce
Development Agency

Mr Nah Juay Hng
Group Director,
Engagement Cluster – Arts & Culture,
People's Association

Mr Ng Keng Song
District Head, Pre-School

Management Division,
PAP Community Foundation

Mr Ng Siew Quan
Partner,
PriceWaterhouseCoopers LLP;
Chairman, Finance Committee,
Singapore Chinese Chamber of
Commerce and Industry;
& Honorary Treasurer, Singapore
Chinese Cultural Centre

Mr Pang Choon How
Director, Mother Tongue Languages,
Curriculum Planning & Development,
Ministry of Education

Ms Rebecca Yap
Assistant Vice President,
Chinese Programming,
Radio MediaCorp

Dr Tan Chee Lay
Deputy Executive Director and
Lecturer, Singapore Centre for
Chinese Language

Mr Wan Shung Ming
Executive Director,
Tin Sing Goldsmiths Pte Ltd;
& Chairman, Cultural Committee,
Singapore Federation of Chinese
Clan Associations

SPEAK GOOD ENGLISH MOVEMENT STEERING COMMITTEE

Mr Goh Eck Kheng
Chairman
Publisher and Managing Director,
Landmark Books Pte Ltd

Ms Judith d'Silva
Deputy Chairman
Deputy Director (Engagement Dept),
NEXUS

Mr Jeffrey Low
Principal, English Language
Institute of Singapore

Dr Ludwig Tan
Vice-Dean, [School of Arts & Social
Sciences], SIM University

Mr Yeow Kai Chai
Director, Singapore Writers Festival,
National Arts Council

Ms Catherine Lau
Assistant Chief Executive,
National Library Board

Mr Jeff Cheong
President,
Tribal Worldwide Asia Pacific

Ms Greta Georges
Creative Director,
Cloudy South Productions

Ms Melissa Low
Research Fellow,
Energy Studies Institute

TAMIL LANGUAGE COUNCIL

Mr V P Jothi
Honorary Chairman
Vice- Chairman,
Mini Environment Service Pte Ltd

Mr R Rajaram
Chairman
Director (Office of Admissions),
National University of Singapore

Mr Naseer Ghani
Vice-Chairman
HOD [PE/ CCA], New Town Primary
School; & Chairman, Singapore
Kadayanallur Muslim League

Mr Narayana Mohan
Vice-Chairman
Senior Partner, Natarajan &
Swaminathan - Certified Public
Accountants; & Chairman,
Singapore Indian Chamber of
Commerce and Industries

Mr J Manikavachagam
Treasurer
Managing Director,
Sri Vinayaka Exports Pte Ltd

Mr R Anbarasu
Secretary
Centre Director, Umar Pulavar Tamil
Language Centre

Ms Vijayalakshmi Jagadeesh
Deputy Secretary
Managing Director,
JVKM Group of Companies

Mr A Palaniappan
Head Specialist, (Languages –
English / Tamil Language Services
Department), Singapore Parliament

Ms Darshini Radha Krishnan
Subject Head,
National Junior College

Mr Harikrishnan s/o Muthusamy
President,
Tamil Language & Cultural Society

Mr Irshath Mohamed
Graduate,
National University of Singapore

Ms Jayasutha Samuthiran
Senior Officer, SPRING Singapore

Mr K Ramamoorthy
Chairman, People's Association –
Narpani Pearavei

Mr Karthik Ramasamy
Associate II (Reading Initiatives),
National Library Board

Mr M Thilagaraja
Programming Director,
Indian Broadcast Division,
MediaCorp

Ms Pushpalatha Devi Naidu
Associate II (Engagement),
National Library Board

Mr Raj Kumar Chandra
Chairman,
Little India Shopkeepers and
Heritage Association

Mr S Nalluraj
General Secretary,
Singapore Tamil Teachers' Union

Mr T Venugobal
Assistant Director
(Tamil Language Unit, CPDD),
Ministry of Education; & Secretary,
Tamil Language Learning and
Promotion Committee

Mr V Pandiyan
Assistant Director,
Community Justice and
Tribunals Division, State Courts;
& General Secretary, Tamils
Representative Council

PRESERVATION OF SITES AND MONUMENTS ADVISORY BOARD

Mr Tan Kok Hiang
Chairman
Principal, Forum Architects Pte Ltd

Mr Ler Seng Ann
Group Director,
Development Services,
Urban Redevelopment Authority

Associate Professor
Johannes Widodo
Department of Architecture,
National University of Singapore

Mr Ashvinkumar Kantilal
Group CEO (Architecture),
Ong & Ong Pte Ltd

Dr Chang Jiat Hwee
Assistant Professor,
Department of Architecture,
National University of Singapore

Mr Chew Keat Chuan
Group Director,
Building Engineering Group,
Building & Construction Authority

Mr Fong Hoo Cheong
Principal Architect,
HCF & Associates (Singapore)

Mr John Chung
Partner, Kelvin Chia Partnership

Mr Raymond Woo
Principal Architect,
Raymond Woo & Associates
Architects

Mr Tan Boon Khai
Chief Executive Officer,
Singapore Land Authority

Ms Wo Mei Lan
Director, Liu & Wo Architects Pte Ltd

Mr Wong Mun Summ
Joint-Founding Director,
WOHA Architects Pte Ltd

We sincerely thank Mr Tham Tuck Cheong, Mr Mok Wei Wei and Mr Shankar N Ramasamy for their valuable contributions.

HERITAGE ADVISORY PANEL

Professor Brenda Yeoh
Chair
Vice Provost (Graduate Education)
Office of the Provost,
National University of Singapore

Professor Kwok Kian Woon
Deputy Chair
Associate Provost (Students Life),
President's Office
Professor of Sociology,
School of Social Sciences
Nanyang Technological University

Mr Eric Chin
Director,
National Archives of Singapore

Associate Professor Goh Beng Lan
Department of
Southeast Asian Studies,
National University of Singapore

Dr Koh Keng We
Assistant Professor, School of
Humanities and Social Sciences,
College of Humanities,
Arts and Social Sciences,
Nanyang Technological University

Mr Leong Weng Kam
Senior Writer, The Straits Times

Mr Ler Seng Ann
Group Director,
Development Services,
Urban Redevelopment Authority

Associate Professor Rajesh Rai
South Asian Studies and
Assistant Director,
Institute of South Asian Studies,
National University of Singapore

Dr Yeo Kang Shua
Assistant Professor,
Department of Architecture
and Sustainable Design,
Singapore University of Technology
and Design

Mr Zahidi Abdul Rahman
Principal Architect,
Zahidi A R Arkitek

HERITAGE GRANTS EXTERNAL ASSESSMENT PANEL

Dr Chua Ai Lin
President,
Singapore Heritage Society

Mr K Ramamoorthy
Senior Lecturer,
Republic Polytechnic;
& Chairman, Indian Activity
Executive Committees Council
[Narpani Pearavai],
People's Association

Mr Kelvin Ang
Director,
Conservation Management
Urban Redevelopment Authority

Dr Noor Aisha Bte Abdul Rahman
Associate Professor &
Head of Department of
Malay Studies,
National University of Singapore

Mr Wan Shung Ming
Council Member,
Singapore Federation of
Chinese Clan Associations; &
Executive Director,
Tin Sing Goldsmiths Pte Ltd

We sincerely thank Mr Arun Mahizhnan, Mr Choo Thiam Siew, Mr Kua Bak Lim and Ms Lena Lim for their valuable contributions.

NATIONAL COLLECTION ADVISORY PANEL

Professor Tan Tai Yong
Chairman
Executive Vice-President,
Academic Affairs, Yale-NUS College

Professor Brenda Yeoh
Vice Provost (Graduate Education)
Office of the Provost,
National University of Singapore

Associate Professor Goh Beng Lan
Department of
Southeast Asian Studies,
National University of Singapore

Dr Jack Tsen-Ta Lee
School of Law,
Singapore Management University

Dr June Yap
Independent Curator

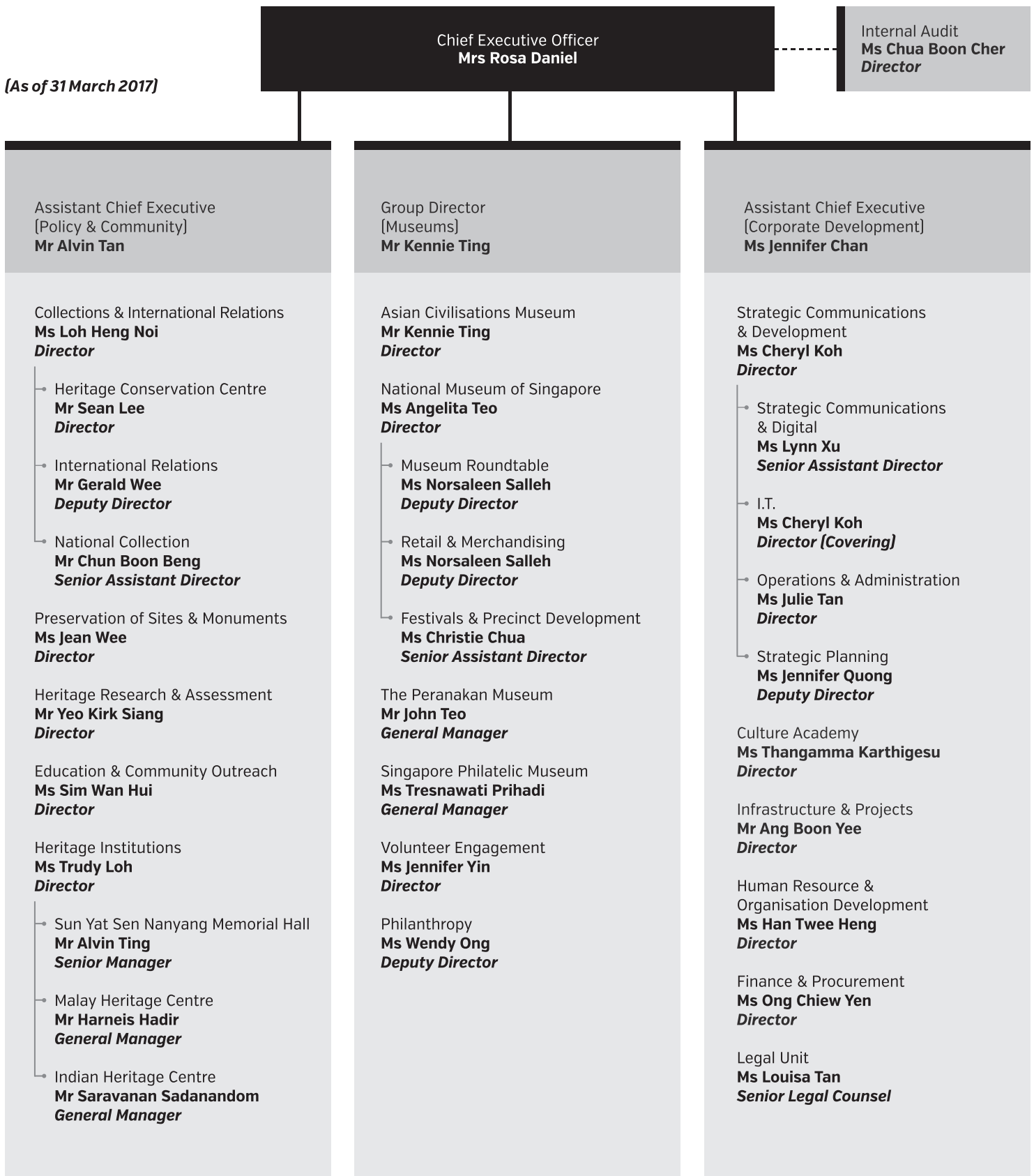
Mr Kwa Chong Guan
Senior Fellow,
S. Rajaratnam School of
International Studies,
Nanyang Technological University

Professor Kwok Kian Woon
Associate Provost (Students Life),
President's Office
Professor of Sociology,
School of Social Sciences
Nanyang Technological University

Mr Milenko Prvacki
Senior Fellow,
Office of the President,
LASALLE College of the Arts

ORGANISATIONAL STRUCTURE

(As of 31 March 2017)



CORPORATE GOVERNANCE

BOARD MATTERS

The NHB Board consists of 13 independent members drawn from the public and private sectors. The Board guides NHB towards achieving its vision, mission and strategic objectives, ensures good corporate governance, approves optimal use of NHB's budget, and reviews management performances.

The Board meets regularly, at least once every quarter, to advise on the strategic policies of NHB, approve the annual budget, and review the performance of NHB based on quarterly and full-year results. Management engages the Board to discuss and seek advice on significant issues. Board members are provided with sufficient information prior to the Board meeting. Minutes of Board meetings are recorded, and Board members are kept informed and updated on all major developments.

The current Board will serve from 1 August 2015 to 31 July 2017.

BOARD COMMITTEES

1) APPOINTMENTS & REMUNERATION COMMITTEE

Mr Ong Yew Huat (Chairman)
Mrs Kelvyna Chan (Member)
Mr Richard Eu (Member)
Mr Vincent Hoong (Member)
Mrs Rosa Daniel (Member – ex-officio)

2) AUDIT AND RISK COMMITTEE

Mr Paul Ma (Chairman)
Mr Michael Tay (Member)
Mr Patrick Lee (Member)
Mr Vincent Hoong (Member)

3) DEVELOPMENT COMMITTEE

Mr Zahidi Abdul Rahman (Chairman)
Mr Chew Keat Chuan (Member)
Professor Heng Chye Kiang (Member)
Mr Kelvin Ang (Member)
Mr Loh Lik Peng (Member)

4) PRESERVATION OF MONUMENTS FUND (PMF) MANAGEMENT COMMITTEE

Mr Tham Tuck Cheong (Chairman)
Mr Mok Wei Wei (Deputy Chairman)
Mr Chew Keat Chuan (Member)
Mr Fong Hoo Cheong (Member)
Dr Johannes Widodo (Member)
Mr Ler Seng Ann (Member)
Mr Shankar N Ramasamy (Member)
Mr Siew Man Kok (Member; term ended 31 July 2015)
Mr Tan Boon Khai (Member)
Mr Tan Kok Hiang (Member)
Mr Tan Puay Hiang (Member; term ended 31 July 2015)
Mr Vincent Hoong (Member; term ended 31 July 2015)
Ms Wo Mei Lan (Member)
Mr Wong Mun Summ (Member)

CORPORATE GOVERNANCE

LEGAL

NHB's in-house Legal Services Unit provides advice on all legal matters such as the drafting/vetting of contracts and Memorandums of Understanding (MOUs) that support the work of the NHB ranging from the procurement of goods and services to the acquisition or loan of artworks and artefacts, interpretation of legislation, advising on regulatory issues relating to the preservation of national monuments, and advising on issues pertaining to intellectual property and copyrights.

INTERNAL AUDIT

The Internal Audit function is managed in-house and is an independent function that reports directly to the Chairman of the Audit and Risk Committee. The Internal Audit department reviews operations and support functions of NHB to provide assurance to the Board that internal controls are adequate and effective in all key financial and operational systems and processes. It furnishes Management with audit observations, analysis, appraisals and recommendations on areas for improvement and monitors the follow-up actions.

FINANCIAL MANAGEMENT AND CONTROL

NHB has adopted an overall control framework that ensures that assets are safeguarded, proper accounting records are maintained and financial information is reliable. The framework includes:-

- An organisation structure with clearly defined authority and delegation limits approved by the Board for procurement and other financial matters;
- Annual budgeting and quarterly financial reporting to senior management levels and to the Board to control and regularly monitor the use of funds;
- Compliance with the provisions of the National Heritage Board Act [Chapter 196A], Singapore Financial Reporting Standards for Statutory Boards, Code of Governance for Charities and Institutions of a Public Character, and Government Instruction Manuals for policies and procedures relating to financial controls.

MANAGEMENT OF THE NATIONAL COLLECTION

NHB has an overall framework for managing the National Collection covering the acquisition, day-to-day management and de-accessioning of objects, as well as record keeping and accounting for objects. In particular, the framework includes:

- Clearly defined approving authorities delegated by the Board for the acquisition and de-accessioning of objects from the National Collection. Minister for Culture, Community and Youth's approval is also required for the de-accessioning of objects of significant national or historical significance from the National Collection.
- Quarterly reports to the Board on the utilisation of the acquisition budget and acquisitions to the Collection.

The framework complies with the provisions of the National Heritage Board Act [Chapter 196A] on the policies and procedures relating to financial controls and the management of assets.

CONFLICT OF INTEREST POLICY

The National Heritage Board has in place 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 or ad hoc basis as the need arises.

STATEMENT BY BOARD MEMBERS

For the financial year ended 31 March 2017

In our opinion,

- [a] the accompanying financial statements of the National Heritage Board (the "Board") and its subsidiaries (the "Group") set out on pages 14 to 68 are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and of the Board as at 31 March 2017 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the financial year then ended in accordance with the provisions of the National Heritage Board Act (Chapter 196A) (the "Act"), Singapore Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS");
- [b] the accounting and other records required by the Act to be kept by the Group have been properly kept in accordance with the provisions of the Act;
- [c] the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Group during the financial year have been in accordance with the provisions of the Act;
- [d] the use of the donation moneys is in accordance with the objectives of the National Heritage Fund and Preservation of Monuments Fund of the Board as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- [e] the National Heritage Fund and Preservation of Monuments Fund of the Board have complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- [f] at the date of this statement, there are reasonable grounds to believe that the Group 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



Ong Yew Huat
Chairman



Chang Hwee Nee
Chief Executive Officer

29 July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NATIONAL HERITAGE BOARD

For the financial year ended 31 March 2017

Report on the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of National Heritage Board (the "Board") and its subsidiaries (the "Group") and statement of comprehensive income, balance sheet and statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of the National Heritage Board Act, Chapter 196A, (the "Act"), Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS"), so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2017 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year ended on that date.

What we have audited

The financial statements of the Board and the Group comprise:

- the consolidated statement of comprehensive income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the consolidated balance sheet of the Group as at 31 March 2017;
- the balance sheet of the Board as at 31 March 2017;
- the consolidated statement of changes in capital and reserves of the Group for the year then ended;
- the statement of changes in capital and reserves of the Board for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ["SSAs"]. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ["ACRA"] Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ["ACRA Code"] together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by Board Members, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NATIONAL HERITAGE BOARD

For the financial year ended 31 March 2017

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Act, Singapore Charities Act [Chapter 37] and SB-FRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NATIONAL HERITAGE BOARD

For the financial year ended 31 March 2017

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our opinion

In our opinion:

- [a] the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Act.
- [b] proper accounting and other records have been kept, including records of all assets of the Board and of the subsidiary incorporated in Singapore of which we are the auditors whether purchased, donated or otherwise.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- [a] the National Heritage Fund and Preservation of Monuments Fund of the Board have not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- [b] the National Heritage Fund and Preservation of Monuments Fund of the Board have not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF NATIONAL HERITAGE BOARD

For the financial year ended 31 March 2017

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's Responsibility for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Singapore, 29 July 2017

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

Group	Note	General fund		Restricted funds		Total	
		2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$
Income							
Contributions and cash donations		369,815	5,125,200	4,839,952	2,438,688	5,209,767	7,563,888
Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donations		3,139,120	10,239,779	-	-	3,139,120	10,239,779
Admission fees		2,391,120	1,441,509	104,200	65,695	2,495,320	1,507,204
Rental income		2,145,099	1,354,356	14,646	320	2,159,745	1,354,676
Interest income		1,529,449	1,178,225	2,270,322	1,285,486	3,799,771	2,463,711
Workshops/Seminars		457,218	320,964	528	45,502	457,746	366,466
Consultancy/Project management		42,065	53,550	-	-	42,065	53,550
Commission/Royalties/Consignment		160,826	204,438	3,364	5,348	164,190	209,786
Sales at Singapore Philatelic Museum		35,645	68,237	-	-	35,645	68,237
Carpark collection		179,506	214,185	-	-	179,506	214,185
Others		547,637	751,890	187,008	67,925	734,645	819,815
		10,997,500	20,952,333	7,420,020	3,908,964	18,417,520	24,861,297
Other (losses)/gains							
Fair value (losses)/gains – Financial assets at fair value through profit or loss		571,295	(881,279)	-	-	571,295	(881,279)
Gain on disposal of property, plant and equipment		350	660	-	-	350	660
		571,645	(880,619)	-	-	571,645	(880,619)
Operating expenditure							
Employee compensation	4	(33,938,493)	(35,908,014)	(3,719,985)	(2,962,955)	(37,658,478)	(38,870,969)
Amortisation of prepaid leases	13	(106,250)	(88,542)	-	-	(106,250)	(88,542)
Depreciation of property, plant and equipment	14	(9,161,345)	(15,916,799)	(5,624,797)	(5,272,718)	(14,786,142)	(21,189,517)
Rental on operating leases		(9,755,911)	(9,950,025)	(554,974)	(566,262)	(10,310,885)	(10,516,287)
Utilities		(3,623,317)	(4,893,835)	(378,985)	(546,724)	(4,002,302)	(5,440,559)
Exhibition expenses		(6,550,405)	(7,508,740)	(1,764,007)	(1,014,995)	(8,314,412)	(8,523,735)
Repairs and maintenance		(10,618,457)	(6,637,674)	(4,673,963)	(3,083,945)	(15,292,420)	(9,721,619)
Other services and fees		(9,580,764)	(7,901,086)	(1,036,846)	(1,199,144)	(10,617,610)	(9,100,230)
Goods and services tax expenses		(2,639,085)	(2,857,838)	(354,203)	(424,469)	(2,993,288)	(3,282,307)
Supplies and materials		(820,491)	(495,995)	(175,071)	(192,543)	(995,562)	(688,538)
Outreach, publicity and public relations		(14,490,962)	(18,362,930)	(1,913,804)	(815,974)	(16,404,766)	(19,178,904)
Security systems and services		(2,571,436)	(2,470,016)	(775,861)	(724,021)	(3,347,297)	(3,194,037)
Staff welfare and development		(1,544,143)	(1,654,044)	(73,680)	(60,765)	(1,617,823)	(1,714,809)
Transport, postage and communications		(613,621)	(465,181)	(149,947)	(162,513)	(763,568)	(627,694)
Property, plant and equipment written off		(26,602)	(2,951,789)	-	-	(26,602)	(2,951,789)
Heritage materials written off		-	(35,753)	-	-	-	(35,753)
Return of heritage materials		-	(267,024)	-	-	-	(267,024)
Grant expenses		(1,671,824)	(1,429,846)	-	-	(1,671,824)	(1,429,846)
Board members' allowances	5	(212,659)	(186,253)	-	-	(212,659)	(186,253)
Foreign exchange gain		(24,535)	6,937	-	-	(24,535)	6,937
Total operating expenditure		(107,950,300)	(119,974,447)	21,196,123	(17,027,028)	(129,146,423)	(137,001,475)
Deficit before grants		(96,381,155)	(99,902,733)	(13,776,103)	(13,118,064)	(110,157,258)	(113,020,797)
Grants							
Deferred capital grants amortised	19	2,142,893	13,994,717	5,624,797	5,272,718	7,767,690	19,267,435
Grants received	17	96,978,908	98,287,427	10,421,628	9,130,832	107,400,536	107,418,259
		99,121,801	112,282,144	16,046,425	14,403,550	115,168,226	126,685,694
Surplus before income tax		2,740,646	12,379,411	2,270,322	1,285,486	5,010,968	13,664,897
Income tax expense	6	-	-	-	-	-	-
Net surplus	7	2,740,646	12,379,411	2,270,322	1,285,486	5,010,968	13,664,897
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Acquisition of heritage materials using government grants	21	2,940,034	2,058,465	-	-	2,940,034	2,058,465
Heritage materials purchased using government grants written off	21	-	(112,869)	-	-	-	(112,869)
Return of heritage materials purchased using government grants	21	-	(726,739)	-	-	-	(726,739)
Other comprehensive income		2,940,034	1,218,857	-	-	2,940,034	1,218,857
Total comprehensive income		5,680,680	13,598,268	2,270,322	1,285,486	7,951,002	14,883,754
Adjusted Net Surplus	7	967,905	3,506,591	2,270,322	1,285,486	3,238,227	4,792,077

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

Board	Note	General fund		Restricted funds		Total	
		2017	2016	2017	2016	2017	2016
		\$	\$	\$	\$	\$	\$
Income							
Contributions and cash donations		24,082	4,468,713	4,839,952	2,438,688	4,864,034	6,907,401
Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donations		3,139,120	10,139,644	-	-	3,139,120	10,139,644
Admission fees		2,346,154	1,405,142	104,200	65,695	2,450,354	1,470,837
Rental income		2,145,099	1,354,356	14,646	320	2,159,745	1,354,676
Interest income		1,432,089	1,107,470	2,270,322	1,285,486	3,702,411	2,392,956
Workshops/Seminars		298,341	109,009	528	45,502	298,869	154,511
Consultancy/Project Management		42,065	-	-	-	42,065	-
Commission/Royalties/Consignment		121,703	142,643	3,364	5,348	125,067	147,991
Carpark collection		179,506	214,185	-	-	179,506	214,185
Others		492,906	683,982	187,008	67,925	679,914	751,907
		10,221,065	19,625,144	7,420,020	3,908,964	17,641,085	23,534,108
Other (losses)/gains							
Fair value (losses)/gains – Financial assets at fair value through profit or loss		535,589	[826,199]	-	-	535,589	[826,199]
Gain on disposal of property, plant and equipment		-	660	-	-	-	660
		535,589	[825,539]	-	-	535,589	[825,539]
Operating expenditure							
Employee compensation	4	(32,617,513)	[34,657,236]	(3,719,985)	[2,962,955]	(36,337,498)	[37,620,191]
Amortisation charge for prepaid lease	13	(106,250)	[88,542]	-	-	(106,250)	[88,542]
Depreciation of property, plant and equipment	14	(9,138,269)	[15,894,096]	(5,624,797)	[5,272,718]	(14,763,066)	[21,166,814]
Rental on operating leases		(9,750,511)	[9,944,530]	(554,974)	[566,262]	(10,305,485)	[10,510,792]
Utilities		(3,578,639)	[4,835,319]	(378,985)	[546,724]	(3,957,624)	[5,382,043]
Exhibition expenses		(6,202,329)	[7,190,417]	(1,764,007)	[1,014,995]	(7,966,336)	[8,205,412]
Repairs and maintenance		(10,549,469)	[6,545,861]	(4,673,963)	[3,083,945]	(15,223,432)	[9,629,806]
Other services and fees		(9,557,109)	[7,876,857]	(1,036,846)	[1,199,144]	(10,593,955)	[9,076,001]
Goods and services tax expenses		(2,639,085)	[2,857,838]	(354,203)	[424,469]	(2,993,288)	[3,282,307]
Supplies and materials		(815,234)	[465,998]	(175,071)	[192,543]	(990,305)	[658,541]
Outreach, publicity and public relations		(15,195,291)	[19,101,488]	(1,913,804)	[815,974]	(17,109,095)	[19,917,462]
Security systems and services		(2,571,436)	[2,470,016]	(775,861)	[724,021]	(3,347,297)	[3,194,037]
Staff welfare and development		(1,504,281)	[1,627,404]	(73,680)	[60,765]	(1,577,961)	[1,688,169]
Transport, postage and communications		(593,456)	[436,359]	(149,947)	[162,513]	(743,403)	[598,872]
Property, plant and equipment written off		(26,602)	[2,951,789]	-	-	(26,602)	[2,951,789]
Heritage materials written off		-	[35,753]	-	-	-	[35,753]
Return of heritage materials		-	[267,024]	-	-	-	[267,024]
Grant expenses		(1,671,824)	[1,429,846]	-	-	(1,671,824)	[1,429,846]
Board members' allowances		(212,659)	[186,253]	-	-	(212,659)	[186,253]
Foreign exchange (loss)/gain	5	[24,535]	6,937	-	-	[24,535]	6,937
Total operating expenditure		(106,754,492)	[118,855,689]	(21,196,123)	[17,027,028]	(127,950,615)	[135,882,717]
Deficit before grants		(95,997,838)	[100,056,084]	(13,776,103)	[13,118,064]	(109,773,941)	[113,174,148]
Grants							
Deferred capital grants amortised	19	2,120,213	13,972,016	5,624,797	5,272,718	7,745,010	19,244,734
Grants received	17	97,001,671	98,267,427	10,421,628	9,130,832	107,423,299	107,398,259
		99,121,884	112,239,443	16,046,425	14,403,550	115,168,309	126,642,993
Surplus before income tax		3,124,046	12,183,359	2,270,322	1,285,486	5,394,368	13,468,845
Income tax expense	6	-	-	-	-	-	-
Net surplus	7	3,124,046	12,183,359	2,270,322	1,285,486	5,394,368	13,468,845
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Acquisition of heritage materials using government grants	21	2,940,034	2,058,465	-	-	2,940,034	2,058,465
Heritage materials purchased using government grants written off	21	-	[112,869]	-	-	-	[112,869]
Return of heritage materials purchased using government grants	21	-	[726,739]	-	-	-	[726,739]
Other comprehensive income		2,940,034	1,218,857	-	-	2,940,034	1,218,857
Total comprehensive income		6,064,080	13,402,216	2,270,322	1,285,486	8,334,402	14,687,702
Adjusted Net Surplus	7	1,351,305	3,410,674	2,270,322	1,285,486	3,621,627	4,696,160

BALANCE SHEET

For the financial year ended 31 March 2017

	Note	Group		Board	
		2017	2016	2017	2016
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	8	262,207,359	276,765,974	255,996,548	270,571,044
Financial assets at fair value through profit or loss	9	31,218,649	31,475,893	29,267,483	29,508,650
Derivative financial instruments	10	268,669	229,798	251,878	215,435
Other receivables, deposits and prepayments	11	56,831,590	26,642,058	56,794,238	26,549,725
Inventories		117,530	108,343	-	-
		350,643,797	335,222,066	342,310,147	326,844,854
Non-current assets					
Subsidiaries	12	-	-	2	2
Prepaid leases	13	655,208	761,458	655,208	761,458
Property, plant and equipment	14	93,072,452	95,588,962	93,018,722	95,512,156
Heritage materials	15	476,862,182	463,700,379	475,553,921	462,392,118
Philatelic materials		2,534	2,534	-	-
		570,592,376	560,053,333	569,227,853	558,665,734
Total assets		921,236,173	895,275,399	911,538,000	885,510,588
LIABILITIES					
Current liabilities					
Derivative financial instruments	10	46,279	-	43,387	-
Other payables	16	29,903,637	35,457,548	29,515,208	35,074,510
Grants received in advance	17	106,180,119	107,558,374	105,136,366	106,845,780
Deferred donations	18	8,404,820	11,648,268	8,404,820	11,648,268
		144,534,855	154,664,190	143,099,781	153,568,558
Non-current liability					
Deferred capital grants	19	49,767,126	47,930,201	49,712,980	47,853,375
Total liabilities		194,301,981	202,594,391	192,812,761	201,421,933
Net assets		726,934,192	692,681,008	718,725,239	684,088,655
Capital and reserves					
Capital account	20	322,382,591	296,080,409	322,382,591	296,080,409
Heritage capital reserve	21	170,986,027	168,045,993	167,715,754	164,775,720
Accumulated surplus					
- General fund - others		27,853,034	26,885,129	23,648,669	22,297,364
- General fund - donated heritage materials and property, plant and equipment		201,733,332	199,960,591	201,422,417	199,649,676
- Restricted funds	22	3,979,208	1,708,886	3,555,808	1,285,486
Total capital and reserves		726,934,192	692,681,008	718,725,239	684,088,655
Net assets of trust funds	23	-	-	4,092,305	4,020,362

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

For the financial year ended 31 March 2017

Group	Note	Capital account	Accumulated surplus				Total
			Heritage capital reserve	General fund – others	General fund – donated heritage materials and property, plant and equipment	Restricted Fund [Note 22]	
		\$	\$	\$	\$	\$	\$
2017							
Beginning of financial year		296,080,409	168,045,993	26,885,129	199,960,591	1,708,886	692,681,008
Total comprehensive income		-	2,940,034	967,905	1,772,741	2,270,322	7,951,002
Issuance of share capital	20	26,302,182	-	-	-	-	26,302,182
End of financial year		322,382,591	170,986,027	27,853,034	201,733,332	3,979,208	726,934,192
2016							
Beginning of financial year		213,224,972	166,827,136	23,801,938	191,087,771	-	594,941,817
Total comprehensive income		-	1,218,857	3,506,591	8,872,820	1,285,486	14,883,754
Issuance of share capital	20	82,855,437	-	-	-	-	82,855,437
Transfer from general fund to development fund	22	-	-	[423,400]	-	423,400	-
End of financial year		296,080,409	168,045,993	26,885,129	199,960,591	1,708,886	692,681,008
Board							
2017							
Beginning of financial year		296,080,409	164,775,720	22,297,364	199,649,676	1,285,486	684,088,655
Total comprehensive income		-	2,940,034	1,351,305	1,772,741	2,270,322	8,334,402
Issuance of share capital	20	26,302,182	-	-	-	-	26,302,182
End of financial year		322,382,591	167,715,754	23,648,669	201,422,417	3,555,808	718,725,239
2016							
Beginning of financial year		213,224,972	163,556,863	18,886,690	190,876,991	-	586,545,516
Total comprehensive income		-	1,218,857	3,410,674	8,772,685	1,285,486	14,687,702
Issuance of share capital	20	82,855,437	-	-	-	-	82,855,437
End of financial year		296,080,409	164,775,720	22,297,364	199,649,676	1,285,486	684,088,655

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Deficit before grants		(110,157,258)	(113,020,797)
Adjustments for:			
- Fair value losses/(gains) on financial assets at fair value through profit or loss		(571,296)	881,280
- Depreciation of property, plant and equipment	14	14,786,142	21,189,517
- Contributions and cash donations		(5,209,767)	(7,563,888)
- Donations-in-kind and purchase of property, plant and equipment/heritage materials using cash donations		(3,139,120)	(10,239,779)
- Interest income		(3,799,771)	(2,463,711)
- Return of heritage material		-	267,024
- Heritage assets written off		-	35,753
- Gain on disposal of property, plant and equipment		(350)	(660)
- Property, plant and equipment written off		26,602	2,951,789
- Amortisation of prepaid leases	13	106,250	88,542
		(107,958,568)	(107,874,930)
Change in working capital			
- Inventories		(9,187)	19,580
- Other receivables, deposits and prepayments		(29,395,648)	115,731,599
- Other payables		(5,553,911)	6,842,977
Net cash provided by/(used in) operating activities		(142,917,314)	14,719,226
Cash flows from investing activities			
Acquisition of heritage materials		(10,907,818)	(17,184,730)
Acquisition of property, plant and equipment	14	(12,296,234)	(43,547,260)
Interest received		3,005,887	3,648,789
Proceeds from/(Purchases of) /investments by fund managers		835,948	(1,892,941)
Proceeds from disposal of property, plant and equipment		350	660
Net cash used in investing activities		(19,361,867)	(58,975,482)
Cash flows from financing activities			
Issuance of share capital	20	26,302,182	82,855,437
Government grants received	17	118,566,930	130,763,508
Donations received		2,917,434	9,582,237
Sponsorships received		-	16,806
Donations refunded		(65,980)	-
Net cash provided by financing activities		147,720,566	223,217,988
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		276,765,974	97,804,242
Cash and cash equivalents at end of financial year	8	262,207,359	276,765,974

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

1. General information

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 Culture, Community and Youth (MCCY), and is required to follow the policies and instructions issued from time to time by MCCY 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; and
- (d) to advise the Government in respect of matters relating to the national heritage of Singapore.

The consolidated financial statements relate to the Board and its subsidiaries (together referred to as the “Group”). The principal activities of the subsidiaries are as stated in Note 12.

The Board has been tasked to drive and support the development of community heritage institutions (HI). There are currently three such HIs, namely the Malay Heritage Centre (MHC), the Sun Yat Sen Nanyang Memorial Hall (SYSNMH) and the Indian Heritage Centre (IHC). The MHC was established and managed by the Malay Heritage Foundation (MHF) and the SYSNMH by the Sun Yat Sen Nanyang Memorial Hall Co. Ltd. (SYSNMH Co. Ltd.), MHF and SYSNMH Co. Ltd. being separate companies with their own board of directors. The Indian Heritage Centre (IHC), which is a division of NHB and managed by NHB with a museum advisory board in lieu of an executive board of directors, was officially opened on 8 May 2015.

NHB signed Memorandums of Understanding (MOUs) (including one with the Steering Committee for the IHC) in 2009, as well as formal management agreements with MHF and SYSNMH Co. Ltd in November 2012. The agreements appoint NHB as an independent contractor/service provider under the framework of the Government to manage the MHC and SYSNMH, procure funding from MCCY and the Tote Board for their operating and development costs, care for and preserve their collections, promote them as premier heritage institutions, as well as raise the standards of MHC and SYSNMH to that of Singapore's national museums. The terms of agreements contemplate that the assets and liabilities acquired through use of the funds procured from MCCY and Tote Board (to be used by NHB to drive and support the development of MHC and SYSNMH) will belong to NHB and not the separate companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

1. General information (continued)

The Board was an Institute of Public Character (IPC) under Section 37(2)(c) of the Charities 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 has established an omnibus fund to which IPC status was transferred.

During the financial years 2003 and 2004, the Board approved the setup of the National Heritage Fund (NHF), an 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.

Due to the merger of the Board with the Preservation of Monuments Board in 2009, the Preservation of Monuments Fund, an IPC Fund, in turn forms part of the Board.

The Singapore Philatelic Museum (SPM), a subsidiary of the Board, is a public company limited by guarantee which was separately registered as a charity [Registration No: 199502248C] on 25 January 1996.

The head lease for the use of land on which the SPM resides was transferred from Infocomm Development Authority of Singapore ("IDA") to the Board on 26 June 2015. The transfer of lease is a government grant in the form of a transfer of a non-monetary asset. The Board has recognised the fair value of the non-monetary asset as prepaid lease and the premise is leased out to SPM through a sub-lease agreement.

2. 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 Singapore Statutory Board Financial Reporting Standards ("SB-FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies [continued]

2.1 Basis of preparation [continued]

Interpretations and amendments to published standards effective in 2017

On 1 April 2016, the Group adopted the new or amended SB-FRS and Interpretations to SB-FRS (“INT SB-FRS”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

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

2.2 Subsidiaries

Consolidation

Subsidiaries are entities controlled by the Group. 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 the Group.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses in the Board’s balance sheet.

2.3 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Board.

Transactions in a currency other than Singapore Dollar (“foreign currency”) are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the Statement of Comprehensive Income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies [continued]

2.4 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. Revenue is measured at the fair value of the consideration received or receivable.

(i) *Admission fees*

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

(ii) *Rental income*

Rental income is recognised on a straight-line basis over the lease and service period.

(iii) *Income from rendering of services*

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

(iv) *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.

(v) *Interest income*

Interest income is recognised using the effective interest method.

(vi) *Donations*

Donations, whether of cash or assets, are recognised as income in the period they are 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 values determined by internal or external valuations at the time of receipt of the assets.

Donations with restrictions and/or conditions attached are recognised as income 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 "deferred donations" account until the above criteria are fulfilled or when the restrictions and/or conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.5 Grants

Government grants are recognised initially 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 over the periods necessary to match the depreciation of the related assets purchased with the grants. Upon the disposal of the assets, the balance of the related deferred capital grants is recognised in Statement of Comprehensive Income to match the net book value of the assets written off.

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 in respect of the current year's operating expenses are recognised in the same year these operating expenses are incurred.

Other grants are recognised as income over the period necessary to match the intended costs. Such grants which are received but not utilised are included in the grants received in advance account.

2.6 Employee compensation

(a) Defined contribution plans

The Group's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue 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.

2.7 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in Statement of Comprehensive Income on a straight-line basis over the period of the lease.

2.8 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.9 Heritage materials

Heritage materials purchased by the Group are measured at cost less subsequent 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, less subsequent impairment losses, if any.

Subsequent expenditure relating to heritage assets that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

2.10 Property, plant and equipment

(a) Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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 assets to a working condition for their intended use, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site, and capitalised borrowing costs. 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.

(b) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.10 Property, plant and equipment (continued)

(b) Depreciation (continued)

The estimated useful lives are as follows:

Leasehold buildings and 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 at the end of each reporting period and adjusted if appropriate. Work-in-progress is not depreciated.

The lease term of the leasehold buildings and building improvement are subjected to renewal at regular interval. The land which the buildings reside on is intended for museums, heritage centres and institutions use and the management is confident of the renewal upon the expiry of its lease.

(c) Subsequent expenditure

The cost of replacing a component 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 component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as incurred.

(d) Disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised in Statement of Comprehensive Income.

2.11 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 on a straight-line basis over the lease term of 8 years.

2.12 Philatelic materials

The philatelic materials transferred from the Government are stated at the nominal value of \$1 per item. The philatelic materials are intended for display purposes or for sale to contribute towards operational needs. Proceeds from the sales of the philatelic materials are recognised as other income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.13 Impairment of non-financial assets

Property, plant and equipment, heritage materials and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount [i.e. the higher of the fair value less cost to sell and the value-in-use] is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ["CGU"] to which the asset belongs.

If the recoverable amount of the asset [or CGU] is estimated to be less than its carrying amount, the carrying amount of the asset [or CGU] is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in Statement of Comprehensive Income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined [net of any accumulated amortisation or depreciation] had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in Statement of Comprehensive Income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in Statement of Comprehensive Income.

2.14 Loans and receivables

Bank balances, other receivables and deposits are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.14 Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2.15 Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

The Group's investments in marketable securities managed by professional fund managers are designated at fair value through profit or loss. The investments are managed under a mandate approved by the Board and in accordance with MCCY's investment guidelines.

Financial assets at fair value through profit or loss are initially recognised at fair value, with the transaction costs incurred recognised immediately as expenses. Changes in fair values including the effects of currency translation, interest and dividends are recognised in profit or loss when the changes arise.

2.16 Derivative financial instruments

The Group is exposed to the risk of foreign exchange fluctuations on debt and equity securities and cash and cash equivalents placed with fund managers. These fund managers hold currency forwards and swaps to hedge the risk.

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in Statement of Comprehensive Income when the changes arise.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining useful life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.17 Other payables

Other payables represent unpaid liabilities for goods and services provided to the Group prior to the end of financial year. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.18 Provisions

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in Statement of Comprehensive Income immediately.

2.19 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of financial assets traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices. The fair values of forward currency exchange contracts are determined using actively quoted forward foreign currency rates.

2.20 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and at bank, cash held by fund manager, cash managed by Accountant-General's Department (AGD) and short-term deposits with financial institutions which are subject to an insignificant risk in change in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.21 Capital

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

2.22 Funds

Assets and liabilities of the general fund and restricted funds are pooled in the balance sheet.

(i) 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.

(ii) 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 Group and the Board to distribute or otherwise apply these funds, are accounted for in the "Restricted Funds" column in the statement of comprehensive income and disclosed separately in Note 22 to the financial statements.

2.23 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 balance sheet 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 the income, expenditure and assets of the trust funds are disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of heritage materials

Heritage materials received by the Group as donations are recognised at values determined by internal or external valuations 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 materials. The amount of recorded heritage assets and income from donations-in-kind would differ if the Group made different judgements resulting in different valuations being determined.

4. Employee compensation

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Wages and salaries	32,149,272	34,166,580	30,974,892	33,053,887
Employer's contribution to Central Provident Fund	5,509,206	4,700,699	5,362,606	4,562,614
Other benefits	-	3,690	-	3,690
	37,658,478	38,870,969	36,337,498	37,620,191

Key management personnel compensation is as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Wages and salaries	4,197,060	4,350,181	3,697,898	3,853,868
Employer's contribution to Central Provident Fund	361,251	312,494	325,021	281,081
	4,558,311	4,662,675	4,022,919	4,134,949

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, Assistant Chief Executive Officer and Directors [senior management] are considered key management personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

5. Board members' allowances

	Group and Board 2017		Group and Board 2016	
	Allowance per annum		Allowance per annum	
	Main Board	Sub-boards	Main Board	Sub-boards
	\$	\$	\$	\$
Chairman	22,500	-	22,500	-
Non-Public Sector Officers				
Chairman of Audit Committee	16,875	-	16,875	-
Member of Audit Committee and Chairman of Sub-boards	11,250	-	11,250	-
Members	5,625	2,813	5,625	2,813
Public Sector Officers				
Member of Audit Committee and Chairman of Sub-boards	11,250	-	11,250	-
Members	5,625	2,813	5,625	2,813

The National Heritage Board [referred to as "Main Board"] has three [2016: four] Sub-boards, namely Asian Civilisations Museum Board, National Museum of Singapore Board and Preservation of Monuments Board [referred to as "Sub-boards"] [2016: Asian Civilisations Museum Board, National Museum of Singapore Board, Preservation of Monuments Board and National Collection Advisory Panel].

6. Income tax expense

The Board is a tax-exempted institution under the provisions of the Charities Act.

The subsidiary, Singapore Philatelic Museum, is a registered charity under the Singapore Charities Act. With effect from Year of Assessment 2008, all registered charities enjoy automatic income tax exemption and are exempted from filling income tax returns.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

7. Adjusted Net Surplus

The breakdown of the net surplus of the General Fund before development fund, donations-in-kind, heritage materials/property, plant and equipment funded by cash donations for the Group and the Board are as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Net surplus for the year	5,010,968	13,664,897	5,394,368	13,468,845
[Less]/Add:				
Income relating to development fund	(2,270,322)	(1,285,486)	(2,270,322)	(1,285,486)
Donations-in-kind	(2,253,985)	(3,620,581)	(2,253,985)	(3,520,446)
Heritage materials/property, plant and equipment funded by cash donations				
- Additions of heritage materials/property, plant and equipment	(885,135)	(6,619,198)	(885,135)	(6,619,198)
- Return of heritage materials	-	267,024	-	267,024
- Write-off of heritage materials	-	35,753	-	35,753
- Depreciation for property, plant and equipment	1,366,379	1,064,182	1,366,379	1,064,182
	481,244	(5,252,239)	481,244	(5,252,239)
	967,905	3,506,591	1,351,305	3,410,674

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

8. Cash and cash equivalents

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash and bank balances	11,683,056	12,690,949	11,538,719	12,509,020
Cash held by fund manager	1,436,782	600,834	1,346,983	563,282
Cash managed by AGD through Centralised Liquidity Management	116,132,051	121,497,691	116,116,964	121,482,816
Fixed deposits	132,955,470	141,976,500	126,993,882	136,015,926
	262,207,359	276,765,974	255,996,548	270,571,044

Under the Accountant-General Circular No.4/2009 dated 2 November 2009, the Board is required to participate in the Centralised Liquidity Management Framework (“CLM”). Under the CLM, all bank accounts maintained with selected banks are linked up with AGD’s bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis. The Board will continue to own/act as trustees for its funds and operate its bank accounts, including giving instructions for payment and revenue collection. These balances are included in cash and cash equivalents as “Cash managed by AGD through Centralised Liquidity Management”.

The weighted average effective interest rate of fixed deposits for the Board and the Group at the reporting date was 1.7% [2016: 1.6%] and 1.7% [2016: 1.5%] per annum respectively. Interest rates reprice upon maturity of the fixed deposits, which are rolled- over at intervals of three, six or twelve months [2016: three, six or twelve months].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

9. Financial assets at fair value through profit or loss

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets at fair value through profit or loss				
- Quoted equity securities	6,677,339	4,900,556	6,260,005	4,594,272
- Quoted bonds	15,557,306	21,826,061	14,584,974	20,461,932
- Quoted money market instruments	8,984,004	4,749,276	8,422,504	4,452,446
	31,218,649	31,475,893	29,267,483	29,508,650

The financial assets designated as at fair value through profit or loss are managed by an external fund manager in accordance with a documented and approved investment mandate. The carrying amounts of the net assets under fund management are as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Quoted equity securities [per above]	6,677,339	4,900,556	6,260,005	4,594,272
Quoted bonds [per above]	15,557,306	21,826,061	14,584,974	20,461,932
Quoted Money Market Instruments [per above]	8,984,004	4,749,276	8,422,504	4,452,446
Cash held by fund manager [Note 8]	1,436,782	600,834	1,346,983	563,282
Currency forwards [Note 10]	222,390	229,798	208,491	215,435
	32,877,821	32,306,525	30,822,957	30,287,367

10. Derivative financial instruments

As at balance sheet date, the fair value and notional amounts of these derivative financial instruments held by the fund managers are as follows:

	← Group →			← Board →		
	Contract notional amount	Fair value		Contract notional amount	Fair value	
		Asset	Liability		Asset	Liability
	\$	\$	\$	\$	\$	
2017						
Currency forwards	18,823,697	268,669	46,279	17,647,216	251,878	43,387
2016						
Currency forwards	13,484,839	229,798	-	12,642,037	215,435	-

Currency forwards are entered into by the fund manager to hedge transactions denominated in foreign currencies, and have maturity dates within one month from the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

11. Other receivables, deposits and prepayments

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Grants receivable	52,607,864	23,235,134	52,656,212	23,235,134
Interest receivable	2,104,629	1,310,745	2,091,056	1,299,700
Other receivables	1,545,442	1,535,728	1,480,371	1,462,231
Deposits	443,152	492,425	441,152	490,425
Other receivables and deposits	56,701,087	26,574,032	56,668,791	26,487,490
Prepayments	130,503	68,026	125,447	62,235
Total other receivables, deposits and prepayments	56,831,590	26,642,058	56,794,238	26,549,725

12. Subsidiaries

	Board	
	2017	2016
	\$	\$
Unquoted ordinary shares, at cost	2	2

Details of the subsidiaries are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation/ Principal place of business</u>	<u>Percentage of equity held</u>	
			2017	2016
			%	%
Singapore Philatelic Museum #†	Philatelic	Singapore	100	100
The Museum Shop Pte Ltd *	Dormant	Singapore	100	100

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

Audited by PricewaterhouseCoopers LLP

† Limited by guarantee with no share capital

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

13. Prepaid Leases

	Group and Board	
	2017	2016
	\$	\$
<u>Cost</u>		
Beginning of financial year	850,000	-
Additions during the year	-	850,000
End of financial year	<u>850,000</u>	<u>850,000</u>
<u>Accumulated amortisation</u>		
Beginning of financial year	88,542	-
Amortisation charge for the year	106,250	88,542
End of financial year	<u>194,792</u>	<u>88,542</u>
Carrying amount as at end of financial year	<u>655,208</u>	<u>761,458</u>

Prepaid lease relate to lease payments made in advance for the use of the land on which the Singapore Philatelic Museum resides.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

14. Property, plant and equipment

Group	Leasehold buildings and building improvements \$	Mechanical and electrical equipment \$	Audio visual and micrographic equipment \$
2017			
<u>Cost</u>			
Beginning of financial year	325,804,767	1,384,043	1,257,750
Additions	47,156	1,872	119,050
Transfer from work-in-progress	9,796,396	278,248	13,537
Disposals/Write-offs	(11,958,209)	(2,400)	(7,357)
End of financial year	<u>323,690,110</u>	<u>1,661,763</u>	<u>1,382,980</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	248,467,707	1,181,805	801,785
Depreciation charge	11,234,626	92,490	81,037
Disposals/Write-offs	(11,955,963)	(2,400)	(7,357)
End of financial year	<u>247,746,370</u>	<u>1,271,895</u>	<u>875,465</u>
Net book value			
End of financial year	<u>75,943,740</u>	<u>389,868</u>	<u>507,515</u>
2016			
<u>Cost</u>			
Beginning of financial year	320,291,911	1,401,219	976,102
Additions	-	18,289	8,929
Transfer from work-in-progress	46,490,579	42,100	416,018
Disposals/Write-offs	(40,977,723)	(77,565)	(143,299)
End of financial year	<u>325,804,767</u>	<u>1,384,043</u>	<u>1,257,750</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	267,806,014	1,184,687	879,804
Depreciation charge	18,748,240	73,397	57,471
Disposals/Write-offs	(38,086,547)	(76,279)	(135,490)
End of financial year	<u>248,467,707</u>	<u>1,181,805</u>	<u>801,785</u>
Net book value			
End of financial year	<u>77,337,060</u>	<u>202,238</u>	<u>455,965</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

Furniture, fittings and office equipment	Computers	Motor vehicles	Work-in-progress	Total
\$	\$	\$	\$	\$
22,011,363	6,572,372	65,900	4,308,315	361,404,510
174,567	528,950	-	11,424,639	12,296,234
365,429	1,447,081	-	(11,900,691)	-
(1,021,077)	(4,778)	(65,900)	-	(13,059,721)
21,530,282	8,543,625	-	3,832,263	360,641,023
10,441,067	4,857,284	65,900	-	265,815,548
2,140,444	1,237,545	-	-	14,786,142
(996,721)	(4,778)	(65,900)	-	(13,033,119)
11,584,790	6,090,051	-	-	267,568,571
9,945,492	2,453,574	-	3,832,263	93,072,452
12,466,496	8,753,030	65,900	20,097,529	364,052,187
258,667	668,025	-	42,593,350	43,547,260
10,183,725	1,250,142	-	(58,382,564)	-
(897,525)	(4,098,825)	-	-	(46,194,937)
22,011,363	6,572,372	65,900	4,308,315	361,404,510
9,492,337	8,440,437	65,900	-	287,869,179
1,794,737	515,672	-	-	21,189,517
(846,007)	(4,098,825)	-	-	(43,243,148)
10,441,067	4,857,284	65,900	-	265,815,548
11,570,296	1,715,088	-	4,308,315	95,588,962

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

14. Property, plant and equipment (continued)

Board	Leasehold buildings and building improvements	Mechanical and electrical equipment
	\$	\$
2017		
<u>Cost</u>		
Beginning of financial year	325,415,824	1,323,710
Additions	47,156	1,872
Transfer from work-in-progress	9,796,396	278,248
Disposals/Write-offs	(11,958,209)	(2,400)
End of financial year	<u>323,301,167</u>	<u>1,601,430</u>
<u>Accumulated depreciation</u>		
Beginning of financial year	248,078,764	1,121,472
Depreciation charge	11,234,626	92,490
Disposals/Write-offs	(11,955,963)	(2,400)
End of financial year	<u>247,357,427</u>	<u>1,211,562</u>
Net book value		
End of financial year	<u>75,943,740</u>	<u>389,868</u>
2016		
<u>Cost</u>		
Beginning of financial year	319,902,968	1,340,886
Additions	-	18,289
Transfer from work-in-progress	46,490,579	42,100
Disposals/Write-offs	(40,977,723)	(77,565)
End of financial year	<u>325,415,824</u>	<u>1,323,710</u>
<u>Accumulated depreciation</u>		
Beginning of financial year	267,418,015	1,124,354
Depreciation charge	18,747,296	73,397
Disposals/Write-offs	(38,086,547)	(76,279)
End of financial year	<u>248,078,764</u>	<u>1,121,472</u>
Net book value		
End of financial year	<u>77,337,060</u>	<u>202,238</u>

The cost of property, plant and equipment that has been fully depreciated for the Group and the Board as at 31 March 2017 was \$224,155,936 [2016: \$175,870,406] and \$222,507,921 [2016: \$174,213,163] respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in-progress	Total
\$	\$	\$	\$	\$
1,257,750	20,720,929	6,549,303	4,308,315	359,575,831
119,050	174,567	528,950	11,424,639	12,296,234
13,537	365,429	1,447,081	(11,900,691)	-
(7,357)	(1,021,077)	(4,778)	-	(12,993,821)
1,382,980	20,239,848	8,520,556	3,832,263	358,878,244
801,785	9,227,439	4,834,215	-	264,063,675
81,037	2,117,368	1,237,545	-	14,763,066
(7,357)	(996,721)	(4,778)	-	(12,967,219)
875,465	10,348,086	6,066,982	-	265,859,522
507,515	9,891,762	2,453,574	3,832,263	93,018,722
976,102	11,184,821	8,729,961	20,097,529	362,232,267
8,929	249,908	668,025	42,593,350	43,538,501
416,018	10,183,725	1,250,142	(58,382,564)	-
(143,299)	(897,525)	(4,098,825)	-	(46,194,937)
1,257,750	20,720,929	6,549,303	4,308,315	359,575,831
879,804	8,300,468	8,417,368	-	286,140,009
57,471	1,772,978	515,672	-	21,166,814
(135,490)	(846,007)	(4,098,825)	-	(43,243,148)
801,785	9,227,439	4,834,215	-	264,063,675
455,965	11,493,490	1,715,088	4,308,315	95,512,156

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

15. Heritage materials

Group	Asian Civilisations Museum \$	National Museum of Singapore \$
2017		
Beginning of financial year	196,529,497	36,753,270
Acquisitions		
- Funded by donations	721,333	-
- Funded by equity injections from MCCY	1,454,242	909,303
- Funded by government and other grants (Note 21)	993,871	-
- Donations-in-kind	670,252	636,639
End of financial year	200,369,195	38,299,212
At 31 March 2017		
At cost	80,563,917	9,706,231
At valuation	119,805,278	28,592,981
	200,369,195	38,299,212
2016		
Beginning of financial year	185,826,057	36,694,978
Acquisitions		
- Funded by donations	3,766,437	-
- Funded by equity injections from MCCY	3,369,377	95,188
- Funded by government and other grants (Note 21)	1,968,465	-
- Donations-in-kind	2,677,477	24,151
Returns		
- Funded by government and other grants (Note 21)	[726,739]	-
- Funded by donations	[267,024]	-
Write Off		
- Funded by government and other grants (Note 21)	[48,982]	[60,865]
- Funded by donation	[35,571]	[182]
End of financial year	196,529,497	36,753,270
At 31 March 2016		
At cost	77,394,471	8,796,928
At valuation	119,135,026	27,956,342
	196,529,497	36,753,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

Singapore Art Museum	National Gallery Singapore	Heritage institution	Art Bank Scheme/ Government Institution Scheme	Philatelic collection	Total
\$	\$	\$	\$	\$	\$
167,006,629	50,354,092	9,634,378	2,114,252	1,308,261	463,700,379
-	-	-	-	-	721,333
2,467,859	1,772,090	642,957	-	-	7,246,451
62,100	1,681,250	202,813	-	-	2,940,034
29,031	861,300	56,763	-	-	2,253,985
169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182
47,689,027	35,333,919	10,344,348	2,114,252	1,208,126	186,959,820
121,876,592	19,334,813	192,563	-	100,135	289,902,362
169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182
164,786,242	44,566,887	8,840,911	2,114,252	1,208,126	444,037,453
-	-	-	-	-	3,766,437
2,133,409	5,021,567	740,287	-	-	11,359,828
90,000	-	-	-	-	2,058,465
-	765,638	53,180	-	100,135	3,620,581
-	-	-	-	-	[726,739]
-	-	-	-	-	[267,024]
[3,022]	-	-	-	-	[112,869]
-	-	-	-	-	[35,753]
167,006,629	50,354,092	9,634,378	2,114,252	1,308,261	463,700,379
45,159,068	31,880,579	9,498,578	2,114,252	1,208,126	176,052,002
121,847,561	18,473,513	135,800	-	100,135	287,648,377
167,006,629	50,354,092	9,634,378	2,114,252	1,308,261	463,700,379

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

15. Heritage materials (continued)

Board	Asian Civilisations Museum	National Museum of Singapore
	\$	\$
2017		
Beginning of financial year	196,529,497	36,753,270
Acquisitions		
- Funded by donations	721,333	-
- Funded by equity injections from MCCY	1,454,242	909,303
- Funded by government and other grants (Note 21)	993,871	-
- Donations-in-kind	670,252	636,639
End of financial year	200,369,195	38,299,212
At 31 March 2017		
At cost	80,563,917	9,706,231
At valuation	119,805,278	28,592,981
	200,369,195	38,299,212
2016		
Beginning of financial year	185,826,057	36,694,978
Acquisitions		
- Funded by donations	3,766,437	-
- Funded by equity injections from MCCY	3,369,377	95,188
- Funded by government and other grants (Note 21)	1,968,465	-
- Donations-in-kind	2,677,477	24,151
Returns		
- Funded by government and other grants	[726,739]	-
- Funded by donations	[267,024]	-
Write Off		
-Funded by government and other grants	[48,982]	[60,865]
-Funded by donations	[35,571]	[182]
End of financial year	196,529,497	36,753,270
At 31 March 2016		
At cost	77,394,471	8,796,928
At valuation	119,135,026	27,956,342
	196,529,497	36,753,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

Singapore Art Museum	National Gallery Singapore	Heritage institution	Art Bank Scheme/ Government Institution Scheme	Total
\$	\$	\$	\$	\$
167,006,629	50,354,092	9,634,378	2,114,252	462,392,118
-	-	-	-	721,333
2,467,859	1,772,090	642,957	-	7,246,451
62,100	1,681,250	202,813	-	2,940,034
29,031	861,300	56,763	-	2,253,985
169,565,619	54,668,732	10,536,911	2,114,252	475,553,921
47,689,027	35,333,919	10,344,348	2,114,252	185,751,694
121,876,592	19,334,813	192,563	-	289,802,227
169,565,619	54,668,732	10,536,911	2,114,252	475,553,921
164,786,242	44,566,887	8,840,911	2,114,252	442,829,327
-	-	-	-	3,766,437
2,133,409	5,021,567	740,287	-	11,359,828
90,000	-	-	-	2,058,465
-	765,638	53,180	-	3,520,446
-	-	-	-	[726,739]
-	-	-	-	[267,024]
[3,022]	-	-	-	[112,869]
-	-	-	-	[35,753]
167,006,629	50,354,092	9,634,378	2,114,252	462,392,118
45,159,068	31,880,579	9,498,578	2,114,252	174,843,876
121,847,561	18,473,513	135,800	-	287,548,242
167,006,629	50,354,092	9,634,378	2,114,252	462,392,118

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

15. Heritage materials (continued)

Heritage materials are subject to write-off according to the Board's policy and \$Nil (2016: \$112,869) and \$Nil (2016: \$35,753) of heritage materials purchased using government grants and donations respectively for the Group and the Board were written off during the financial year ended 31 March 2017 in accordance to the Board's policy.

In the previous financial year ended 31 March 2016, a heritage material amounting to \$993,763 comprising \$726,739 and \$267,024 funded by government grants and donations respectively of the Group and the Board was returned to the country of its origin for no consideration.

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 2017 and 2016. These are recorded as part of heritage capital reserve.

The Art Bank Scheme and the Government Institution Scheme are schemes to purchase heritage materials comprising artworks for the Government offices and amounted to \$467,425 and \$1,646,827 respectively as at 31 March 2017 and 2016. 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.

During the financial year ended 31 March 2013, 53,227 heritage materials of the Tang Shipwreck Treasure were transferred from the Singapore Tourism Board to the Board. The heritage materials were valued by an external valuer on a class basis at \$75,020,166 (USD60,392,985) in June 2012. These are recorded as part of heritage capital reserve.

16. Other payables

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Accrual for staff costs	9,368,046	9,086,787	9,082,156	8,824,581
Other payables	20,535,591	26,370,761	20,433,052	26,249,929
	29,903,637	35,457,548	29,515,208	35,074,510

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

For the financial year ended 31 March 2017

17. Grants received in advance

	Capital Grants		Operating Grants		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Group						
Beginning of financial year	-	-	107,558,374	99,875,598	107,558,374	99,875,598
Grants received during the year	-	244,510	118,566,930	130,518,998	118,566,930	130,763,508
Transfer to heritage capital reserve (Note 21)	-	-	(2,940,034)	(2,058,465)	(2,940,034)	(2,058,465)
Transfer to deferred capital grants (Note 19)	-	(244,510)	(9,604,615)	(13,359,498)	(9,604,615)	(13,604,008)
Transfer to income statement	-	-	(107,400,536)	(107,418,259)	(107,400,536)	(107,418,259)
End of financial year	-	-	106,180,119	107,558,374	106,180,119	107,558,374

	Capital Grants		Operating Grants		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Board						
Beginning of financial year	-	-	106,845,780	99,543,773	106,845,780	99,543,773
Grants received during the year	-	244,510	118,258,534	130,109,470	118,258,534	130,353,980
Transfer to heritage capital reserve (Note 21)	-	-	(2,940,034)	(2,058,465)	(2,940,034)	(2,058,465)
Transfer to deferred capital grants (Note 19)	-	(244,510)	(9,604,615)	(13,350,739)	(9,604,615)	(13,595,249)
Transfer to income statement	-	-	(107,423,299)	(107,398,259)	(107,423,299)	(107,398,259)
End of financial year	-	-	105,136,366	106,845,780	105,136,366	106,845,780

18. Deferred donations

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Beginning of financial year	11,648,268	16,232,311	11,648,268	16,232,311
Donations received	2,917,434	9,582,237	2,571,701	8,925,750
Transfer to income statement	(6,094,902)	(14,166,280)	(5,749,169)	(13,509,793)
Refund to donors	(65,980)	-	(65,980)	-
End of financial year	8,404,820	11,648,268	8,404,820	11,648,268

The deferred donations mainly relate to donations received for specific purposes such as for exhibitions or purchase of certain heritage materials. It will be recognised as income when the deferred donation is utilised. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

19. Deferred capital grants

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Beginning of financial year	47,930,201	52,743,628	47,853,375	52,652,860
Transfer from Government grants (Note 17)	9,604,615	13,604,008	9,604,615	13,595,249
Amortisation of deferred capital grants				
- Depreciation of property, plant and equipment	(7,743,335)	(16,337,777)	(7,720,655)	(16,315,076)
- Write-off of property, plant and equipment	(24,355)	(2,929,658)	(24,355)	(2,929,658)
	(7,767,690)	(19,267,435)	(7,745,010)	(19,244,734)
Transfer from IDA	-	850,000	-	850,000
End of financial year	49,767,126	47,930,201	49,712,980	47,853,375

20. Capital account

	Group and Board	
	2017	2016
	\$	\$
Beginning of financial year	296,080,409	213,224,972
Issue of shares	26,302,182	82,855,437
End of financial year	322,382,591	296,080,409

The capital account represents equity injections by MOF in its capacity as shareholder under the Capital Management Framework for Statutory Boards.

During the year, the Board issued 26,302,182 [2016: 82,855,437] shares at \$1 each, comprising \$17,000,000 [2016: \$55,066,154] as a sinking fund which is designated to fund the replacement and capital improvement of property, plant and equipment, \$6,821,590 [2016: \$5,002,420] for acquisition of heritage materials and \$2,480,592 [2016: \$22,786,863] for development projects. The shares are held by the MOF, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183, 1985 Revised Edition). The holder of shares is entitled to returns on equity from time to time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

20. Capital account (continued)

Capital management

Capital consists of capital account, heritage capital reserve and accumulated surplus of the Group. The Group's objectives when managing capital is to maintain a strong capital base so as to sustain its operations and the future development of the Group. The capital structure of the Group mainly consists of capital received from its equity holder and grants from the government. To achieve these objectives, the Group may secure grants from Government or other government agencies, issue new capital or return capital to its equity holder.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements except for those mandated by the Ministry of Finance.

21. Heritage capital reserve

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Beginning of financial year	164,775,630	163,556,773	164,775,720	163,556,863
Transfer from government and other grants (Note 17)	2,940,034	2,058,465	2,940,034	2,058,465
Heritage material purchased using government grants written off	-	[112,869]	-	[112,869]
Heritage material purchased using government grants returned	-	[726,739]	-	[726,739]
End of financial year	167,715,664	164,775,630	167,715,754	164,775,720
Philatelic assets				
Beginning and end of financial year	3,270,363	3,270,363	-	-
	170,986,027	168,045,993	167,715,754	164,775,720

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 and the transfer of heritage materials from other statutory boards and ministries, including philatelic assets from IDA who was a member of the Singapore Philatelic Museum from 1995 to 2001.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

22. 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 Group's and the Board's income statement. General Fund (others) excludes income and expenditure relating to General Fund (heritage materials and property, plant and equipment) as described below.

Reserves Management

NHB has a reserves policy to maintain 6 months of its annual operating expenditure to ensure long-term financial sustainability. The reserves level is capped at an amount of not more than 1 year of its annual operating expenditure as part of good corporate governance.

The reserves of the Board refer to the General Fund (others) which can be used for operating purposes or contingencies or for non-operating purposes including development projects.

The Board regularly reviews the amount of reserves through annual budgeting and quarterly management reporting. Utilisation of the reserves would require the Board's approval.

(b) General Fund - Donated 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 are accounted for through this fund in the Group's and the Board's income statement. 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 and funds received for specific purposes for which there are restrictions on the Group in relation to the application of these funds. These donations include specific donations received for exhibitions and programs as well as for restoration and repair works to national monuments.

Restricted funds comprise the following:

<u>Name of Fund</u>	<u>Purpose</u>
Heritage Institution Funds	Supporting the redevelopment of the 3 heritage institutions (HIs), namely the Malay Heritage Centre (MHC), Sun Yat Sen Nanyang Memorial Hall (SYSNMH) and Indian Heritage Centre (IHC), as well as their operations to ensure the long-term sustainability of the different institutions.
Other funds	Set up for specific purposes relating to the Group's and the Board's operations.
Development fund	To fund the replacement and capital improvement of the Group's and the Board's property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

22. Accumulated surplus (continued)

(c) Restricted Funds (continued)

The breakdown of the income and expenditure of the restricted funds for the Group and Board are as follows:

Group	Heritage Institution Funds		Other funds		Development fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Contribution and cash donations	403,615	26,323	4,436,337	2,412,365	-	-	4,839,952	2,438,688
Admission fees	104,200	65,695	-	-	-	-	104,200	65,695
Rental income	14,646	320	-	-	-	-	14,646	320
Interest income	-	-	-	-	2,270,322	1,285,486	2,270,322	1,285,486
Workshop/Seminars	528	45,502	-	-	-	-	528	45,502
Commission/Royalties/ Consignment	3,364	5,348	-	-	-	-	3,364	5,348
Others	187,008	67,925	-	-	-	-	187,008	67,925
	713,361	211,113	4,436,337	2,412,365	2,270,322	1,285,486	7,420,020	3,908,964
Operating expenditure								
Employee compensation	(3,719,985)	(2,962,955)	-	-	-	-	(3,719,985)	(2,962,955)
Depreciation of property, plant and equipment	(4,258,418)	(4,208,536)	(1,366,379)	(1,064,182)	-	-	(5,624,797)	(5,272,718)
Rental on operating leases	(554,974)	(566,262)	-	-	-	-	(554,974)	(566,262)
Utilities	(378,985)	(546,724)	-	-	-	-	(378,985)	(546,724)
Exhibition expenses	(1,363,493)	(1,014,995)	(400,514)	-	-	-	(1,764,007)	(1,014,995)
Repairs and maintenance	(1,024,397)	(1,212,019)	(3,649,566)	(1,871,926)	-	-	(4,673,963)	(3,083,945)
Other services and fees	(1,036,846)	(1,137,027)	-	(62,117)	-	-	(1,036,846)	(1,199,144)
Goods and services tax expenses	(354,203)	(424,468)	-	(1)	-	-	(354,203)	(424,469)
Supplies and materials	(155,840)	(186,073)	(19,231)	(6,470)	-	-	(175,071)	(192,543)
Outreach, publicity and public relations	(1,581,055)	(366,345)	(332,749)	(449,629)	-	-	(1,913,804)	(815,974)
Security systems and services	(775,861)	(724,021)	-	-	-	-	(775,861)	(724,021)
Staff welfare and development	(54,550)	(38,543)	(19,130)	(22,222)	-	-	(73,680)	(60,765)
Transport, postage and communications	(134,800)	(162,513)	(15,147)	-	-	-	(149,947)	(162,513)
Total operating expenses	(15,393,407)	(13,550,481)	(5,802,716)	(3,476,547)	-	-	(21,196,123)	(17,027,028)
Deficit before grants	(14,680,046)	(13,339,368)	(1,366,379)	(1,064,182)	2,270,322	1,285,486	(13,776,103)	(13,118,064)
Deferred capital grants amortised	4,258,418	4,208,536	1,366,379	1,064,182	-	-	5,624,797	5,272,718
Grants received	10,421,628	9,130,832	-	-	-	-	10,421,628	9,130,832
Net surplus	-	-	-	-	2,270,322	1,285,486	2,270,322	1,285,486
Accumulated surplus at beginning of financial year	-	-	-	-	1,708,886	-	1,708,886	-
Transfer from general fund to development fund	-	-	-	-	-	423,400	-	423,400
Accumulated surplus at end financial year	-	-	-	-	3,979,208	1,708,886	3,979,208	1,708,886
Represented by:								
Assets								
Cash and cash equivalents	-	-	-	-	3,979,208	1,708,886	3,979,208	1,708,886
Net assets	-	-	-	-	3,979,208	1,708,886	3,979,208	1,708,886

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

22. Accumulated surplus (continued)

(c) Restricted Funds (continued)

The breakdown of the income and expenditure of the restricted funds for the Group and Board are as follows:

Board	Heritage Institution Funds		Other funds		Development fund		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Contribution and cash donations	403,615	26,323	4,436,337	2,412,365	-	-	4,839,952	2,438,688
Admission fees	104,200	65,695	-	-	-	-	104,200	65,695
Rental income	14,646	320	-	-	-	-	14,646	320
Interest income	-	-	-	-	2,270,322	1,285,486	2,270,322	1,285,486
Workshop/Seminars	528	45,502	-	-	-	-	528	45,502
Commission/Royalties/ Consignment	3,364	5,348	-	-	-	-	3,364	5,348
Others	187,008	67,925	-	-	-	-	187,008	67,925
	713,361	211,113	4,436,337	2,412,365	2,270,322	1,285,486	7,420,020	3,908,964
Operating expenditure								
Employee compensation	(3,719,985)	(2,962,955)	-	-	-	-	(3,719,985)	(2,962,955)
Depreciation of property, plant and equipment	(4,258,418)	(4,208,536)	(1,366,379)	(1,064,182)	-	-	(5,624,797)	(5,272,718)
Rental on operating leases	(554,974)	(566,262)	-	-	-	-	(554,974)	(566,262)
Utilities	(378,985)	(546,724)	-	-	-	-	(378,985)	(546,724)
Exhibition expenses	(1,363,493)	(1,014,995)	(400,514)	-	-	-	(1,764,007)	(1,014,995)
Repairs and maintenance	(1,024,397)	(1,212,019)	(3,649,566)	(1,871,926)	-	-	(4,673,963)	(3,083,945)
Other services and fees	(1,036,846)	(1,137,027)	-	(62,117)	-	-	(1,036,846)	(1,199,144)
Goods and services tax expenses	(354,203)	(424,468)	-	(1)	-	-	(354,203)	(424,469)
Supplies and materials	(155,840)	(186,073)	(19,231)	(6,470)	-	-	(175,071)	(192,543)
Outreach, publicity and public relations	(1,581,055)	(366,345)	(332,749)	(449,629)	-	-	(1,913,804)	(815,974)
Security systems and services	(775,861)	(724,021)	-	-	-	-	(775,861)	(724,021)
Staff welfare and development	(54,550)	(38,543)	(19,130)	(22,222)	-	-	(73,680)	(60,765)
Transport, postage and communications	(134,800)	(162,513)	(15,147)	-	-	-	(149,947)	(162,513)
Total operating expenses	(15,393,407)	(13,550,481)	(5,802,716)	(3,476,547)	-	-	(21,196,123)	(17,027,028)
Deficit before grants	(14,680,046)	(13,339,368)	(1,366,379)	(1,064,182)	2,270,322	1,285,486	(13,776,103)	(13,118,064)
Deferred capital grants amortised	4,258,418	4,208,536	1,366,379	1,064,182	-	-	5,624,797	5,272,718
Grants received	10,421,628	9,130,832	-	-	-	-	10,421,628	9,130,832
Net surplus	-	-	-	-	2,270,322	1,285,486	2,270,322	1,285,486
Accumulated surplus at beginning of financial year	-	-	-	-	1,285,486	-	1,285,486	-
Accumulated surplus at end financial year	-	-	-	-	3,555,808	1,285,486	3,555,808	1,285,486
Represented by:								
Assets								
Cash and cash equivalents	-	-	-	-	3,555,808	1,285,486	3,555,808	1,285,486
Net assets	-	-	-	-	3,555,808	1,285,486	3,555,808	1,285,486

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

23. Net assets of trust funds

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

- (a) The Singapore 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 these purposes and guidelines requires the prior approval of the Board.
- (b) 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.

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

The following break-down 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 Group and the Board.

Group	ASEAN COCI Fund		Total	
	2017	2016	2017	2016
	\$	\$	\$	\$
Income				
Others	-	30,350	-	30,350
Expenditure				
Other services and fees	-	(13,195)	-	(13,195)
Supplies and materials	-	-	-	-
Outreach, publicity and public relations	-	-	-	-
Transport, postage and communications	-	(13,448)	-	(13,448)
	-	[26,643]	-	[26,643]
Net surplus	-	3,707	-	3,707
Return of funds	-	[8,445]	-	[8,445]
Accumulated surplus at beginning of financial year	-	4,738	-	4,738
Accumulated surplus at end of financial year	-	-	-	-
Represented by:				
Assets				
Cash and cash equivalents	-	-	-	-
Net assets	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

23. Net assets of trust funds (continued)

Board	Singapore Philatelic Fund		ASEAN COCI Fund		Total	
	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$
Income						
Interest income	36,237	29,063	-	-	36,237	29,063
Gain on investment at fair value through profit or loss	35,706	[55,080]	-	-	35,706	[55,080]
Others	-	108	-	30,350	-	30,458
	71,943	[25,909]	-	30,350	71,943	4,441
Expenditure						
Other services and fees	-	-	-	[13,195]	-	[13,195]
Transport, postage and communications	-	-	-	[13,448]	-	[13,448]
	-	-	-	[26,643]	-	[26,643]
Net surplus/(deficit)	71,943	[25,909]	-	3,707	71,943	[22,202]
Return of funds	-	-	-	[8,445]	-	[8,445]
Accumulated surplus at beginning of the year	4,020,362	4,046,271	-	4,738	4,020,362	4,051,009
Accumulated surplus at end of the year	4,092,305	4,020,362	-	-	4,092,305	4,020,362
Represented by:						
Assets						
Financial assets at fair value through profit or loss	2,054,864	2,019,158	-	-	2,054,864	2,019,158
Cash and cash equivalents	2,037,441	2,001,204	-	-	2,037,441	2,001,204
	4,092,305	4,020,362	-	-	4,092,305	4,020,362
Net assets	4,092,305	4,020,362	-	-	4,092,305	4,020,362

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

24. National Heritage Fund

The movements in the fund including receipts and utilisation of donations are as follows:

	Group and Board	
	2017	2016
	\$	\$
Beginning of financial year	8,500,609	10,510,380
Donations received		
- Tax-deductible	843,075	4,951,012
- Non-tax deductible	799,040	1,041,402
	1,642,115	5,992,414
Expenditure	[2,034,644]	[8,002,185]
Refund to Donor	[65,980]	-
End of financial year	8,042,100	8,500,609
Represented by:		
Assets		
Cash and cash equivalents	8,042,100	8,500,609
Net assets	8,042,100	8,500,609

The objective of the National Heritage Fund is to promote and facilitate the appreciation and development of our heritage, culture and arts, so as to foster a socially cohesive, creative and culturally vibrant nation. Its expenditure mainly comprises of heritage projects, exhibition and outreach activities for public benefit, and other activities undertaken by the Board in line with its functions prescribed under the National Heritage Board Act [Chapter 196A].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

25. Preservation of Monuments Fund

The movements in the fund including receipts and utilisation of donations are as follows:

	Group and Board	
	2017	2016
	\$	\$
Beginning of financial year	6,744,365	5,682,955
Donations received		
- Tax-deductible	929,586	2,931,336
- Non-tax deductible	-	2,000
Expenditure	(3,649,427)	(1,871,926)
End of financial year	4,024,524	6,744,365
Represented by:		
Assets		
Cash and cash equivalents	4,024,524	6,744,365
Net assets	4,024,524	6,744,365

The objective of the Preservation of Monuments Fund is to support the activities undertaken by the Preservation of Sites and Monuments division of the National Heritage Board in relation to the protection, restoration and preservation of national monuments, in line with its functions and powers as prescribed under the Preservation of Monuments Act [Cap. 239]. Its expenditure mainly comprises restoration and repair works to national monuments, to ensure their proper preservation.

26. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group and Board	
	2017	2016
	\$	\$
Contracted but not provided for	1,118,563	501,907
Authorised but not contracted for	14,732,191	13,947,900
	15,850,754	14,449,807

Comparative figure of the capital commitments under "Authorised but not contracted for" has been restated to conform with current year's presentation. In prior year, the figure represents capital commitment authorised by its supervisory ministry and the Ministry of Finance. The figure disclosed in the current year represents capital commitment authorised by the Group and the Board. The restatement have no material impact to the Group and the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

27. Commitments [continued]

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

The operating lease commitments relate to the leasing of premises at the various museums, other heritage organisations and photocopiers. The leases of the premises at various museums and other heritage organisations will expire between 31 July 2017 and 14 February 2020 (2016: 30 June 2016 and 14 July 2019) and the current rent payable on the leases range from \$120 to \$207,324 (2016: \$120 to \$207,324) per month and the photocopiers are under a lease of up to 5 years (2016: up to 5 years).

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Not later than one year	8,335,593	9,222,643	8,330,193	9,217,243
Later than one year but not later than five years	4,843,250	9,974,417	4,824,580	9,950,797
	13,178,843	19,197,060	13,154,773	19,168,040

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

The Group and Board lease out retail space to non-related parties under non-cancellable operating leases. The lessees are required to pay either absolute fixed annual increase to the lease payments or contingent rents computed based on their sales achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group and Board	
	2017	2016
	\$	\$
Not later than one year	1,793,026	1,404,969
Later than one year but not later than five years	1,018,885	1,873,868
	2,811,911	3,278,837

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

27. Related party transactions

During the financial year, other than as disclosed elsewhere in the financial statements, the significant transactions with related parties which were carried out in the normal course of business are as follows:

	Board	
	2017	2016
	\$	\$
Grants received/receivable		
- Ministry of Culture, Community and Youth	109,436,242	118,960,223
- National Arts Council	4,557,753	7,156,640
- Singapore Totalisator Board	19,050,154	9,538,246
Rental paid/payable to Singapore Land Authority	7,911,340	7,886,898
IT charges paid/payable to Government Technology Agency (previously known as Infocomm Development Authority of Singapore)	959,964	1,415,626
	<hr/>	

Outstanding balances at 31 March 2016 are as follows:

	2017	2016
	\$	\$
Grants receivable		
- Ministry of Culture, Community and Youth	32,729,719	3,321,847
- National Arts Council	80,000	-
- Singapore Totalisator Board	19,050,154	16,179,633
- Singapore Tourism Board	550,921	643,850
Other payables		
- Government Technology Agency (previously known as Infocomm Development Authority of Singapore)	290,167	176,460
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management

Financial risk factors

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.

The information presented below is based on information received by key management.

a) Market risk

(i) *Currency risk*

Other than the investments managed by its fund manager, the Group and Board do not have material exposure to foreign exchange risks.

The Group invested its funds with the fund manager, under AGD's Demand Aggregation (DA) for Fund Management Services. The fund manager is given discretion in managing their respective portfolios, subject to the investment guidelines and the mandate set out in the DA agreement.

The Group is exposed to currency risk arising from quoted equity investments held by the fund manager. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the functional currency of the Group, the price initially expressed in foreign currency and then converted into the functional currency will fluctuate because of changes in foreign exchange rates. The overall market position of these equity investments is monitored on a daily basis by the fund manager. Other than the investments in quoted equity investments, the fund manager manages the overall currency exposure mainly by entering into currency forwards.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The currency exposure that arises from the investments managed by the external fund manager is as follows:

	← 2017 →				
	SGD \$	USD \$	EUR \$	Others \$	Total \$
Group					
Quoted equity securities	955,281	-	-	5,722,058	6,677,339
Quoted bonds	6,073,159	7,972,306	1,511,841	-	15,557,306
Quoted money market instruments	8,984,004	-	-	-	8,984,004
Cash held by fund manager	987,980	256,708	39,000	153,094	1,436,782
	17,000,424	8,229,014	1,550,841	5,875,152	32,655,431
Less: Currency forwards	-	(5,102,658)	(1,616,203)	-	(6,718,861)
Less: Denominated in functional currency	(17,000,424)	-	-	-	(17,000,424)
Currency exposure of net financial assets	-	3,126,356	(65,362)	5,875,152	8,936,146

	← 2016 →				
	SGD \$	USD \$	EUR \$	Others \$	Total \$
Group					
Quoted equity securities	1,055,785	-	-	3,844,772	4,900,557
Quoted bonds	7,786,062	10,215,736	3,824,262	-	21,826,060
Quoted money market instruments	4,749,276	-	-	-	4,749,276
Cash held by fund manager	-	204,325	47,655	348,854	600,834
	13,591,123	10,420,061	3,871,917	4,193,626	32,076,727
Less: Currency forwards	-	(9,053,384)	(3,871,330)	(560,125)	(13,484,839)
Less: Denominated in functional currency	(13,591,123)	-	-	-	(13,591,123)
Currency exposure of net financial assets	-	1,366,677	587	3,633,501	5,000,765

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	← 2017 →				
	SGD \$	USD \$	EUR \$	Others \$	Total \$
Board					
Quoted equity securities	895,576	-	-	5,364,429	6,260,005
Quoted bonds	5,693,587	7,474,037	1,417,350	-	14,584,974
Quoted money market instruments	8,422,504	-	-	-	8,422,504
Cash held by fund manager	926,231	240,664	36,562	143,526	1,346,983
	15,937,898	7,714,701	1,453,912	5,507,955	30,614,466
Less: Currency forwards	-	[4,783,742]	[1,515,190]	-	[6,298,932]
Less: Denominated in functional currency	[15,937,898]	-	-	-	[15,937,898]
Currency exposure of net financial assets	-	2,930,959	[61,278]	5,507,955	8,377,636

	← 2016 →				
	SGD \$	USD \$	EUR \$	Others \$	Total \$
Board					
Quoted equity securities	989,798	-	-	3,604,474	4,594,272
Quoted bonds	7,299,433	9,577,253	3,585,246	-	20,461,932
Quoted money market instruments	4,452,446	-	-	-	4,452,446
Cash held by fund manager	-	191,555	44,676	327,051	563,282
	12,741,677	9,768,808	3,629,922	3,931,525	30,071,932
Less: Currency forwards	-	[8,487,548]	[3,629,372]	[525,117]	[12,642,037]
Less: Denominated in functional currency	[12,741,677]	-	-	-	[12,741,677]
Currency exposure of net financial assets	-	1,281,260	550	3,406,408	4,688,218

If the United States Dollars ["USD"] and European Dollar ["EUR"] strengthen/weaken against the SGD by 5% [2016: 5%] and 5% [2016: 5%] respectively, there would not be a material impact on the net surplus for the year.

(ii) Price risk

The Group is exposed to quoted securities price risk arising from investments held by the fund manager, which are classified as financial assets at fair value through profit or loss. To manage its price risk arising from investments in quoted securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set under the approved investment policy of the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management [continued]

(a) Market risk [continued]

(ii) *Price risk* [continued]

Sensitivity analysis

If prices for quoted securities had increased/decreased by 10% [2016:10%] with all other variables being held constant, the net surplus would increase/decrease by:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets at fair value through profit or loss	3,121,865	3,147,589	2,926,748	2,950,865

(iii) *Interest rate risks*

Exposure to interest rate risk relate primarily to the interest-earning financial assets of the Group which mainly comprise short-term fixed deposits held at fixed interest rates. Hence, any variations in interest rates will not have a material impact on the results of the Group.

The interest rate for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements. The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance, ranges from 1.24% to 1.49% [2016: 1.06% to 1.46%].

The Group does not have significant exposure to interest rate risk at the balance sheet date.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Board are principally the loans and receivables.

The maximum exposure to credit risk for other receivables [Note 11] is represented by the carrying amount of the financial assets presented in the balance sheet.

The Group's exposure to credit risk arises through its receivables. The Group's most significant debtor, the supervisory ministry, accounts for 58% [2016: 24%] of the receivables carrying amount. Based on the Group's historical experience in the collection of receivables, management believes that no impairment loss is required to be made on the outstanding receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management [continued]

(b) Credit risk [continued]

(i) *Financial assets that are neither past due nor impaired*

Cash and cash equivalents are placed with financial institutions which are regulated. The cash with AGD under Centralised Liquidity Management (CLM) are placed with high credit quality financial institutions, and are available upon request.

(ii) *Financial assets that are past due and not impaired*

The ageing of other receivables (excluding prepayments) past due but not impaired is as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Group				
Past due 0 - 30 days	158,871	330,631	158,871	329,771
Past due 31 - 365 days	22,932	16,147	22,146	5,316
	181,803	346,778	181,017	335,087

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Board will not be able to meet their financial obligations as and when they fall due.

The Group and the Board receive 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.

The table below analyses non-derivative financial liabilities of the Group and the Board into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year \$
Group	
At 31 March 2017	
Other payables	<u>29,903,637</u>
At 31 March 2016	
Other payables	<u>35,457,548</u>
Board	
At 31 March 2017	
Other payables	<u>29,515,208</u>
At 31 March 2016	
Other payables	<u>35,074,510</u>

(d) Fair value measurements

The following table presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1];

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) [Level 2]; and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) [Level 3].

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Group				
2017				
Financial assets at fair value through profit or loss	22,234,645	8,984,004	-	31,218,649
Derivative financial instruments	-	222,390	-	<u>222,390</u>
2016				
Financial assets at fair value through profit or loss	26,726,617	4,749,276	-	31,475,893
Derivative financial instruments	-	229,798	-	<u>229,798</u>
Board				
2017				
Financial assets at fair value through profit or loss	20,844,979	8,422,504	-	29,267,483
Derivative financial instruments	-	208,491	-	<u>208,491</u>
2016				
Financial assets at fair value through profit or loss	25,056,204	4,452,446	-	29,508,650
Derivative financial instruments	-	215,435	-	<u>215,435</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

28. Financial risk management (continued)

(d) Fair value measurements (continued)

The fair value of financial assets traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair values of financial assets that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. The fair values of currency forwards are determined using quoted forward currency rates at the balance sheet date. These instruments are classified as Level 2. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The carrying amount of current other receivables, deposits and other payables approximate their fair values.

(e) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets at fair value through profit or loss	31,218,649	31,475,893	29,267,483	29,508,650
Derivative financial instruments	222,390	229,798	208,491	215,435
Loans and receivables (Note 11)	56,701,087	26,574,032	56,668,791	26,487,490
Cash and cash equivalents (Note 8)	262,207,359	276,765,974	255,996,548	270,571,044
	318,908,446	303,340,006	312,665,339	297,058,534
Financial liabilities at amortised cost	29,903,637	35,457,548	29,515,208	35,074,510

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

29. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2017 and which the Group has not early adopted:

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

- (i) Rights of return – FRS 115 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation; and
- (ii) Accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

29. New or revised accounting standards and interpretations (continued)

- FRS 109 Financial instruments [effective for annual periods beginning on or after 1 January 2018]

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

The other financial asset held by the Group includes equity investments currently measured at fair value through profit or loss which would likely to continue to be measured on the same basis under FRS 109.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. While the Group is yet to undertake a detailed assessment, the Group expects that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of FRS 109. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

29. New or revised accounting standards and interpretations (continued)

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of \$13,178,843 [Note 26(b)]. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

30. Authorisation of financial statements

These financial statements were authorised for issue by the members of the Board on 29 July 2017.

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