

# ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019



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## 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.

# CORPORATE INFORMATION

## **NATIONAL HERITAGE BOARD**

Ms Yeoh Chee Yan  
*Chair*  
National Heritage Board

Ms Chang Hwee Nee  
Chief Executive Officer  
National Heritage Board

Mrs Kelvyna Chan  
Director  
Educational Leadership &  
School Excellence  
Ministry of Education

Ms Jan Chua  
Divisional Director  
Higher Ed (Policy & Operations)  
Ministry of Education

Mr Warren Fernandez  
Editor-in-Chief  
English/Malay/Tamil Media Group  
Singapore Press Holdings

Mr Vincent Hoong  
Registrar  
Supreme Court of Singapore

Professor Lily Kong  
President  
Singapore Management University

Mr Patrick Lee  
Executive Chairman  
Sing Lun Holdings Limited

Ms Gopi Mirchandani  
Chief Executive Officer  
& Head of Client Group Asia  
(ex Japan),  
NN Investments Singapore

Mr Daryl Ng  
Deputy Chairman  
Sino Group

Mrs Quek Bin Hwee  
Non-Executive Independent  
Director  
The Hongkong and Shanghai  
Banking Corporation Ltd.

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

Mr Tham Tuck Cheong  
Managing Director  
CIAP Architects Pte Ltd

Mr Zahidi Bin Abdul Rahman  
Principal Architect  
Zahidi A. R. Arkitek

## **ASIAN CIVILISATIONS MUSEUM ADVISORY BOARD**

Mr Loh Lik Peng  
*Chair*  
Owner/Director  
Unlisted Collection

Mr Hideki Akiyoshi  
Director  
WonderAsia Pte Ltd

Dr Melanie Chew  
Military Historian;  
Director, Resource Pacific Holdings

Mr Timothy Chia  
Chairman  
Hup Soon Global Corporation Ltd

Mrs Maniza Jumabhoy

Ms Lauren Khoo  
Creative Director  
Lauren X Khoo Pte Ltd

Mr Kwek Eik Sheng  
Group Chief Strategy Officer  
City Developments Limited

Prof Kwok Kian Woon  
Associate Provost (Student Life)  
Nanyang Technological University

Mr Paul Ma  
Non-Executive Chairman and  
Director  
Mapletree North Asia Commercial  
Trust Ltd

Ms Tan Siok Sun  
Author and Chair  
W!ld Rice

Ms Rachel Teo  
Director  
Daniel Teo & Associates Pte Ltd

Mr Whang Shang Ying  
Executive Director  
Lam Soon Singapore Pte Ltd

Mr Arrif Ziaudeen  
CEO  
The Chope Group Pte Ltd

## **NATIONAL MUSEUM OF SINGAPORE ADVISORY BOARD**

Mr Keith Chua  
*Chair*  
Executive Chairman  
ABR Holdings Ltd

Mr Ashvinkumar s/o Kantilal  
Group CEO  
Ong & Ong Pte Ltd

Ms Ho Peng  
Advisor  
Ministry of Education

Mr John Koh  
Director  
NSL Ltd; Mapletree Industrial  
Fund Ltd; KrisEnergy Ltd

BG Kenneth Liow Meng Kwee  
Chief of Staff  
General Staff / Commander  
Training and Doctrine Command,  
Ministry of Defence

Assoc Prof Kenneth Paul Tan  
Lee Kuan Yew School of  
Public Policy  
National University of Singapore

Mr Suhaimi Rafdi  
Director  
Our Tampines Hub  
People's Association

Ms Wendy Ang  
Director  
National Archives of Singapore

## **PRESERVATION OF SITES AND MONUMENTS ADVISORY BOARD**

Mr Tan Kok Hiang  
*Chair*  
Founding Director  
Forum Architects Pte Ltd

Assoc Prof Albert Lau  
Department of History  
National University of Singapore

Mr Ashvinkumar s/o Kantilal  
Group CEO  
Ong & Ong Architects Pte Ltd

Dr Chang Jiat Hwee  
Associate Professor  
Department of Architecture  
School of Design and Environment  
National University of Singapore

Er Chew Keat Chuan  
Group Director  
Building Engineering Group  
Building & Construction Authority

Mr Fong Hoo Cheong  
Founder and Principal Architect  
HCF & Associates;  
Executive Director  
Singapore Institute of Architects

Assoc Prof Johannes Widodo  
Department of Architecture  
National University of Singapore

Mr John Chung  
Partner and Head of  
Engineering and  
Construction Division  
Kelvin Chia Partnership

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

Mr Raymond Woo  
Principal Architect  
Raymond Woo &  
Associates Architects

Mr Tan Boon Khai  
CEO  
Singapore Land Authority

Ms Wo Mei Lan  
Founding Partner and Director  
Liu & Wo Architects Pte Ltd

## **INDIAN HERITAGE CENTRE ADVISORY BOARD**

Ambassador Gopinath Pillai  
*Chair*  
Ambassador-At-Large;  
Chairman  
SAA Global Education Centre Pte  
Ltd; Chairman  
Institute of South Asian Studies

Mr Dilbagh Singh  
Retired Educator

Mr Haji Nasser bin Ghani  
President  
Singapore Kadayanallur  
Muslim League

Dr Ma Swan Hoo  
Senior Clinical Investigator  
Institut D' Expertise Clinique

Assoc Prof Rajesh Rai  
Deputy Head  
South Asian Studies Programme  
Faculty of Arts and Social Sciences  
National University of Singapore

Mr R Dhinakaran  
Managing Director  
Jay Gee Melwani Group

Assoc Prof Seshan Ramaswami  
Marketing (Education)  
Singapore Management  
University; Honorary General  
Secretary  
Singapore Indian Fine Arts Society

Prof Tan Tai Yong  
President and  
Professor of Humanities (History)  
Yale-NUS College

# CORPORATE INFORMATION

## MALAY HERITAGE FOUNDATION

Dr Norshahril Saat  
*Chair*  
Fellow  
Institute of Southeast Asian  
Studies

Mr Alwi bin Abdul Hafiz  
Sustainability Advisor  
Golden Veroleum (Liberia) Inc

Dr Azhar Ibrahim  
Deputy Head  
Department of Malay Studies,  
National University of Singapore

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

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

Mdm Rahayu Buang  
CEO  
Yayasan Mendaki

Mdm Siti Habibah Binte Hj Siraj  
Principal Architect  
SZ Architects

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

Mr Zhulkarnain Abdul Rahim  
Partner  
Dentons Rodyk & Davidson

Mdm Zuraida Hj Mohd Din  
Finance Manager  
Jamiyah Singapore

## SUN YAT SEN NANYANG MEMORIAL HALL BOARD

Mr Wu Hsioh Kwang  
*Chair*  
Executive Chairman  
Straco Coporation Ltd

Mr Roland Ng San Tiong  
Managing Director/Group CEO  
Tat Hong Holdings Ltd

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

Mr Ng Siew Quan  
Partner  
PricewaterhouseCoopers LLP

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

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

Mr Zhong Sheng Jian  
Chairman and CEO  
Yanlord Holdings Pte Ltd

Mr Wan Shung Ming  
Executive Director  
Tin Sing Goldsmiths Pte Ltd

Dr Lee Peng Shu  
Chairman  
Tea Chapter Pte Ltd

## SINGAPORE PHILATELIC MUSEUM BOARD

Prof Cheah Jin Seng  
*Chair*  
Emeritus Consultant  
Department of Medicine  
National University Hospital (S)  
Pte Ltd

Dr Christine Chen  
Founder & President  
Early Childhood Educators

Mr Hong Tuck Kun  
Managing Director & Head  
Enterprise Credit Group  
DBS Group Holdings Ltd

Mr Ong Tong San  
Cluster Director  
Competition & Resource  
Development  
Infocomm Development Authority  
of Singapore

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

Mr Kennie Ting  
Group Director (Museums),  
National Heritage Board  
Director, Asian Civilisations  
Museum [\*NHB's ex-officio  
representative on the SPM Board]

## MALAY LANGUAGE COUNCIL, SINGAPORE (AUG 2018-CURRENT)

Assoc Prof Muhammad  
Faishal Ibrahim  
*Chair*  
Senior Parliamentary Secretary,  
Ministry of Education & Ministry of  
Social and Family Development

Assoc Prof Hadijah Rahmat  
*Deputy Chair*  
Head of Asian Languages and  
Culture Academic Group  
National Institute of Education/  
Nanyang Technological University

Mr Tajudin Jaffar  
*Secretary*  
Lead Specialist, Mother Tongue  
Languages Branch  
Curriculum Planning and  
Development Division  
Ministry of Education

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

Mdm Rahayu Mahzam  
Member of Parliament  
Jurong GRC

Mr Farizan Md Amin  
PhD Candidate

Mr Abdul Harris Sumardi  
Vice President  
Malay Language Teachers  
Association

Ms Aidli Mosbit  
Manager  
Arts, Student Development  
and Alumni Affairs  
Temasek Polytechnic

Dr Azhar Ibrahim Alwie  
Deputy Head  
Department of Malay Studies  
Faculty of Arts and Social Sciences  
National University of Singapore

Ms Azizah Zakaria  
Programme Chair  
Diploma in Arts and  
Theatre Management  
Republic Polytechnic

Mr Daud Yusof  
Editor, Berita Mediacorp  
Mediacorp Pte Ltd

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

## PRINCIPAL BANKER

DBS Bank Ltd

## 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 2017 to 31 July 2020

### Preservation of Monuments Fund

UEN No.: T03CC1669C

Charity & IPC  
Establishment Date:  
21 March 2003

Effective Period:  
1 January 2018 to  
31 December 2019

# CORPORATE INFORMATION

Mr Mohammad Asri Sunawan  
Media and Communications  
Professional

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

Ms Nafisah Ismail  
Deputy Director  
Media Analytics Operations  
Department,  
Media Division, Ministry of  
Communications and Information

Mdm Norshima Abdul Aziz  
Director  
Communications and  
Outreach Department  
Yayasan Mendaki

Mr Omar Ismail  
President  
Malay Activity Executive  
Committees Council (MESRA)  
Singapore People's Association

## **MALAY LANGUAGE COUNCIL, SINGAPORE (BOARD OF ADVISORS) (AUG 2018–CURRENT)**

Mr Yatiman Yusof  
*Chair*  
Non-Resident High Commissioner  
of Singapore to the Republic  
of Kenya

Mr Hawazi Daipi  
Non-Resident High Commissioner  
of Singapore to the Republic  
of Ghana

Assoc Prof Kamsiah Abdullah  
Singapore University of  
Social Sciences

Dr Shahrudin Maaruf  
Senior Research Fellow  
Department of Socioculture  
University of Malaya

Mr Sidek Sanif  
Former Senior Minister of State

Mr Wan Hussin Zohri  
Former Member of Parliament

## **PROMOTE MANDARIN COUNCIL (AUG 2018–CURRENT)**

Mr Chua Chim Kang  
*Chair*  
Chief Editor  
Chinese News & Current Affairs  
Mediacorp Pte Ltd

Ms Chew Lee Ching  
*Deputy Chair*  
Managing Director, Mandate  
Communications (S) Pte Ltd

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

Mr Andy Hoon  
CEO, Kim San Leng (F&B) Group;  
CEO, Yellow Submarines

Mdm Heng Boey Hong  
Director  
Mother Tongues Language  
Branch, Curriculum Planning  
and Development, Ministry of  
Education

Ms Heng Kae In (Kai Ying)  
Assistant Programme Director  
88.3Jia DJ  
So Drama! Entertainment

Assoc Prof Lan Luh Luh  
Associate Professor  
NUS Business School &  
Faculty of Law  
National University of Singapore

Mr Lee Ee Wurn  
Programmes Director  
Singapore Chinese Cultural Centre

Ms Lee Kuan Fung  
Founder and Director  
LuLeLe Learning Space

Ms Lee Siew Li  
Director  
Translation Department  
Public Communications Division  
Ministry of Communications  
and Information

Dr Liang Wern Fook  
Language Director  
Xue Er You Language Centre

Ms Loh Gek Khim  
Director  
Skills Development Division  
SkillsFuture Singapore

Mr Ng Keng Song  
District Head  
Pre-School Management Division  
PAP Community Foundation

Ms Ng Wai Mun  
Correspondent  
Special Feature News Hub  
Chinese Media Group  
Singapore Press Holdings

Dr Tan Chee Lay  
Executive Director  
[Research & Development]  
Singapore Centre for  
Chinese Language

Ms Tang Tung San  
Director-Designate  
Volunteer Management Division  
People's Association

Mr Wan Shung Ming  
Executive Director  
Tin Sing Goldsmiths Pte Ltd

Ms Lim Koh Pang (Xiaohan)  
Lyricist; Writer;  
Founder and Director  
Funkie Monkeys Music Brand

Mr Yang Ji Wei  
Board Member/Executive Director  
The TENG Ensemble

## **SPEAK GOOD ENGLISH MOVEMENT COMMITTEE (AUG 2018–CURRENT)**

Mr Jason Leow  
*Chair*  
Managing Director  
Corporate Affairs and  
Communications, GIC Pte Ltd

Ms Catherine Lau  
Assistant Chief Executive  
National Library Board

Ms Chong Wei-Zhen Amanda  
State Counsel  
Attorney-General's Chambers

Mrs Greta Georges  
Creative Director  
Cloudy South Productions

Mr Jonathan Paul Gresham  
Director  
Sing Lit Station Limited

Assoc Prof Ludwig Tan  
Dean, School of Humanities and  
Behavioural Sciences  
Singapore University of  
Social Sciences

Ms Melissa Low  
Research Associate  
Energy Studies Institute

Ms Pooja Nansi  
Festival Director  
Singapore Writers Festival

Ms Tan May Tan  
Academy Principal  
English Language Institute  
of Singapore

Mr Yeow Kai Chai  
Writer

## **TAMIL LANGUAGE COUNCIL (AUG 2018–CURRENT)**

Mr Rajaram Ramasubban  
*Chair*  
Senior Director  
Office of Admissions  
National University of Singapore

Mr Manogaran s/o Suppiah  
*Vice-Chair*  
Principal, Anderson Serangoon  
Junior College

Mr Naseer bin Ghani  
*Vice-Chair*  
Chairman, Singapore Kadayanallur  
Muslim League

Mr Rangarajan Narayanamohan  
*Vice-Chair*  
Senior Partner  
Natarajan & Swaminathan-CPA

Mr Anbarasu Rajendran  
*Secretary*  
Chief Executive Officer  
Singapore Indian Development  
Association (SINDA)

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

Mr Jothinathan Manikavachagam  
*Treasurer*  
Managing Director  
Sri Vinayaka Exports Pte Ltd

Mr Ashwinii Selvaraj  
Student, National University  
of Singapore

Mr Azhagiya Pandiyan s/o  
Duraiswamy  
Head, Tamil Language Services,  
National Library Board

# CORPORATE INFORMATION

Mr Danapal Kumar  
Senior Project Officer  
Lee Kuan Yew Fund for  
Bilingualism

Mr Harini V  
Student  
Yale-NUS College

Mr Irshath Mohamed  
Journalist  
Tamil Murasu

Mr Pandiyan s/o Vellasami  
Assistant Director  
Community Justice and  
Tribunals Division  
State Courts Singapore

Mr Raj Kumar Chandra  
Chairman  
Little India Shopkeepers  
and Heritage Association

Mr Ramamoorthy Krishnan  
Senior Lecturer  
Republic Polytechnic

Mr Plavenderraj Sundar Arockiyaraj  
Mechanical Engineer  
GlaxoSmithKline

Mdm Tamilvani Muthu  
Senior Specialist  
Curriculum Planning and  
Development Division  
Mother Tongue Languages Branch  
Ministry of Education

## **TAMIL LANGUAGE COUNCIL (BOARD OF ADVISORS) (AUG 2018–CURRENT)**

Mr Murali Pillai  
*Chair*  
Member of Parliament  
Bukit Batok SMC

Mr VP Jothi  
Senior Vice-Chairman  
Mini Environment Services Pte Ltd

## **ACADEMIC RESEARCH PANEL**

Prof Tan Tai Yong  
President and Professor  
of Humanities (History)  
Yale-NUS College

Assoc Prof Albert Lau  
Department of History  
National University of Singapore

Prof Brenda Yeoh  
Provost's Chair  
Department of Geography;  
Director, Humanities and  
Social Science Research  
National University of Singapore

Prof Lily Kong  
President and Lee Kong Chian  
Chair Professor of Social Sciences  
Singapore Management University

## **HERITAGE ADVISORY PANEL**

Prof Brenda Yeoh  
Provost's Chair  
Department of Geography;  
Director, Humanities and  
Social Science Research  
National University of Singapore

Mr Zahidi Bin Abdul Rahman  
Principal Architect  
Zahidi A. R. Arkitek

Assoc Prof Yeo Kang Shua  
Department of Architecture  
and Sustainable Design  
Singapore University of  
Technology and Design [SUTD]

Mrs Teh Lai Yip  
Senior Director (Conservation)  
Urban Renewal Authority

Ar Seah Chee Huang  
Deputy CEO  
DP Architects Pte Ltd;  
President  
Singapore Institute of Architects

Assoc Prof Kelvin EY Low  
Deputy Head-of-Department  
Department of Sociology  
National University of Singapore

Assoc Prof Rahil Binte Ismail  
Humanities and  
Social Studies Education  
National Institute of Education

Prof Vineeta Sinha  
Head  
Department of Sociology and  
South Asian Studies Programme  
National University of Singapore

Ms Sunitha Janamohanan  
Lecturer  
School of Creative Industries  
LASALLE College of the Arts

Dr Terence Chong  
Senior Fellow and Deputy Director,  
ISEAS-Yusof Ishak Institute

Ms Wendy Ang  
Director  
National Archives of Singapore

Assoc Prof Kamaludeen  
Bin Mohd Nasir  
Sociology, College of Humanities  
Arts and Social Sciences  
Nanyang Technological University

## **NATIONAL COLLECTION ADVISORY PANEL**

Prof Tan Tai Yong  
President and Professor  
of Humanities (History)  
Yale-NUS College

Prof Brenda Yeoh  
Provost's Chair  
Department of Geography;  
Director, Humanities and  
Social Science Research  
National University of Singapore

Dr Jack Lee  
Deputy Research Director  
Singapore Academy of Law

Dr John Solomon  
Assistant Professor  
Department of History  
Faculty of Arts and Social Sciences  
National University of Singapore

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

Prof Kwok Kian Woon  
Associate Provost (Student Life)  
President's Office  
Nanyang Technological University

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

Dr Suriani Suratman  
Senior Lecturer  
Department of Malay Studies  
Faculty of Arts and Social Sciences  
National University of Singapore

## **HERITAGE GRANTS EXTERNAL ASSESSMENT PANEL**

Dr Chua Ai Lin  
Executive Director  
Singapore Heritage Society

Mr Kelvin Ang  
Director  
Conservation Management  
Department Conservation and  
Urban Design Group  
Urban Redevelopment Authority

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

Mr K Ramamoorthy  
Senior Lecturer  
Republic Polytechnic

Mr Wan Shung Ming  
Executive Director  
Tin Sing Goldsmiths Pte Ltd

Dr Sher Banu  
Assistant Professor  
Department of Malay Studies  
National University of Singapore

Mr Raja Segar  
Chief Executive Officer  
Hindu Endowments Board

Ms Susan Long  
General Manager  
Straits Times Press

# ORGANISATIONAL STRUCTURE

[As of 31 March 2019]





# 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.

## BOARD COMMITTEES

### 1) APPOINTMENTS & REMUNERATION COMMITTEE

Ms Yeoh Chee Yan (Chairman)  
Mrs Kelvyna Chan (Member)  
Mr Vincent Hoong (Member)  
Dr Suriani Suratman (Member)  
Professor Lily Kong (Member)  
Ms Chang Hwee Nee (Member – Ex-Officio)

### 2) AUDIT AND RISK COMMITTEE

Mrs Quek Bin Hwee (Chairman)  
Mr Patrick Lee (Member)  
Mr Vincent Hoong (Member)  
Mrs Kelvyna Chan (Member)  
Ms Jan Chua (Member)

### 3) DEVELOPMENT COMMITTEE

Mr Zahidi Abdul Rahman (Chairman)  
Mr Tham Tuck Cheong (Member)  
Ms Cheong Suat Choo (Member)  
Mr Foo Siang Jeok (Member)

### 4) INVESTMENT COMMITTEE

Ms Gopi Mirchandani (Chairman)  
Mr Patrick Lee (Member)  
Mr Daryl Ng (Member)  
Mr Timothy Chia (Member)

### 5) PRESERVATION OF MONUMENTS FUND (PMF)

#### MANAGEMENT COMMITTEE

Mr Tan Kok Hiang (Chairman)  
Mr Fong Hoo Cheong (Member)  
Mr Ler Seng Ann (Member)  
Mr Raymond Woo (Member)  
Mr John Chung (Member)

## FY18 BOARD MEETING ATTENDANCE

	Held	Attended
Mr Ong Yew Huat ~	1	1
Ms Yeoh Chee Yan *	4	4
Mr Daryl Ng	5	2
Ms Gopi Mirchandani *	4	2
Ms Jan Chua *	4	3
Mrs Kelvyna Chan	5	5
Prof Lily Kong	5	1
Mr Patrick Lee	5	5
Mrs Quek Bin Hwee	5	4
Dr Suriani Suratman	5	2
Mr Tham Tuck Cheong	5	4
Mr Vincent Hoong	5	3
Mr Warren Fernandez	5	1
Mr Zahidi Abdul Rahman	5	4

~ Retired on 31 July 2018

\* Appointed on 1 August 2018

# 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.

## DISCLOSURE AND TRANSPARENCY

There was no staff employed by The National Heritage Board who are close family members of the CEO and/or Board members during the year.

# BOARD MEMBERS' STATEMENT

For the financial year ended 31 March 2019

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 67 are drawn up so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2019 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year then ended in accordance with the provisions of the National Heritage Board Act (Chapter 196A) ["NHB Act"], the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), Singapore Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) proper accounting and other records have been kept, including records of all assets of the Board and of the subsidiaries incorporated in Singapore.
- (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 NHB Act and the Public Sector (Governance) 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



**Yeoh Chee Yan**  
Chairman



**Chang Hwee Nee**  
Chief Executive Officer

27 June 2019

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

Independent auditor's report  
For the financial year ended 31 March 2019

## Report on the Financial Statements

### Opinion

We have audited the financial statements of National Heritage Board (the "Board") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Board as at 31 March 2019, the statements of comprehensive income, statements of changes in capital and reserves of the Group and the Board and the statement of cash flow of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet, statement of comprehensive income, 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, ["NHB Act"], the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) 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 2019 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.

### Basis for Opinion

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

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Independent auditor's report  
For the financial year ended 31 March 2019

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the NHB Act, Singapore Charities Act [Chapter 37], the Public Sector (Governance) Act 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.
- 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.

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

Independent auditor's report  
For the financial year ended 31 March 2019

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

- 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**

### **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 NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board.
- (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

Independent auditor's report  
For the financial year ended 31 March 2019

## **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 NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

## **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 NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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 Board's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.



## **Ernst & Young LLP**

Public Accountants and Chartered Accountants  
Singapore, 27 June 2019

## National Heritage Board and its Subsidiaries

### Statements of comprehensive income For the financial year ended 31 March 2019

Group	Note	General fund		Restricted funds		Total	
		2019	2018	2019	2018	2019	2018
		\$	\$	\$	\$	\$	\$
<b>Income</b>							
Contributions and cash donations		972,524	455,824	627,742	1,285,352	1,600,266	1,741,176
Donations-in-kind		1,720,592	6,263,918	–	–	1,720,592	6,263,918
Cash donations for property, plant and equipment/heritage materials		77,164	762,080	–	–	77,164	762,080
Admission fees		3,620,146	3,335,500	143,244	129,719	3,763,390	3,465,219
Rental income		2,898,245	2,740,536	17,950	18,890	2,916,195	2,759,426
Interest income		2,571,362	1,742,130	2,530,678	1,357,614	5,102,040	3,099,744
Interest income from investments		–	–	616,310	–	616,310	–
Workshops/Seminars		280,166	333,524	2,299	2,968	282,465	336,492
Consultancy/project management		935,258	169,756	–	–	935,258	169,756
Commission/royalties/consignment		201,167	134,741	9,403	13,308	210,570	148,049
Sales at Singapore Philatelic Museum		74,648	47,785	–	–	74,648	47,785
Others		880,643	783,024	48,187	41,017	928,830	824,041
		<b>14,231,915</b>	<b>16,768,818</b>	<b>3,995,813</b>	<b>2,848,868</b>	<b>18,227,728</b>	<b>19,617,686</b>
<b>Other gains</b>							
Fair value gains – financial assets at fair value through profit or loss		–	43,412	–	–	–	43,412
Gain on disposal of property, plant and equipment		19	830	–	–	19	830
		<b>19</b>	<b>44,242</b>	<b>–</b>	<b>–</b>	<b>19</b>	<b>44,242</b>
<b>Operating expenditure</b>							
Employee benefits expense	4	(38,121,848)	(35,738,006)	(3,768,797)	(3,248,890)	(41,890,645)	(38,986,896)
Amortisation of prepaid leases	11	(106,250)	(106,250)	–	–	(106,250)	(106,250)
Depreciation of property, plant and equipment	12	(10,256,832)	(9,438,179)	(5,425,169)	(5,638,362)	(15,682,001)	(15,076,541)
Rental of premises/equipment		(10,614,357)	(9,922,179)	(398,610)	(581,864)	(11,012,967)	(10,504,043)
Maintenance and other property expenses		(13,813,352)	(14,265,822)	(2,254,865)	(2,466,035)	(16,068,217)	(16,731,857)
Exhibition expenses		(9,039,221)	(4,860,755)	(1,113,249)	(1,209,717)	(10,152,470)	(6,070,472)
Other services and fees		(10,239,026)	(8,182,226)	(1,242,224)	(1,443,609)	(11,481,250)	(9,625,835)
Outreach, publicity and public relations		(15,949,352)	(14,728,763)	(1,912,317)	(1,952,579)	(17,861,669)	(16,681,342)
Staff welfare and development		(1,794,977)	(1,453,816)	(75,516)	(63,885)	(1,870,493)	(1,517,701)
General and administrative expenses		(5,067,221)	(4,197,571)	(885,942)	(666,788)	(5,953,163)	(4,864,359)
Property, plant and equipment written off		(13,319)	–	–	–	(13,319)	–
Grant expenses		(2,458,567)	(1,741,257)	–	–	(2,458,567)	(1,741,257)
Board members' allowances	5	(222,188)	(202,294)	–	–	(222,188)	(202,294)
<b>Total operating expenditure</b>		<b>(117,696,510)</b>	<b>(104,837,118)</b>	<b>(17,076,689)</b>	<b>(17,271,729)</b>	<b>(134,773,199)</b>	<b>(122,108,847)</b>
<b>Deficit before grants</b>		<b>(103,464,576)</b>	<b>(88,024,058)</b>	<b>(13,080,876)</b>	<b>(14,422,861)</b>	<b>(116,545,452)</b>	<b>(102,446,919)</b>
<b>Grants</b>							
Deferred capital grants amortised	18	5,698,079	2,216,808	2,252,656	5,638,362	7,950,735	7,855,170
Grants received	16	95,879,957	95,392,901	13,975,208	10,142,113	109,855,165	105,535,014
		<b>101,578,036</b>	<b>97,609,709</b>	<b>16,227,864</b>	<b>15,780,475</b>	<b>117,805,900</b>	<b>113,390,184</b>
<b>(Deficit)/surplus before income tax</b>		<b>(1,886,540)</b>	<b>9,585,651</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>1,260,448</b>	<b>10,943,265</b>
Income tax expense	6	–	–	–	–	–	–
<b>Net (deficit)/surplus</b>	7	<b>(1,886,540)</b>	<b>9,585,651</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>1,260,448</b>	<b>10,943,265</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Grants for heritage materials	20	1,201,924	2,738,450	–	–	1,201,924	2,738,450
<b>Total comprehensive income</b>	7	<b>(684,616)</b>	<b>12,324,101</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>2,462,372</b>	<b>13,681,715</b>
<b>Adjusted net (deficit)/surplus</b>	7	<b>(2,402,437)</b>	<b>3,943,341</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>744,551</b>	<b>5,300,955</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



## National Heritage Board and its Subsidiaries

### Statements of comprehensive income For the financial year ended 31 March 2019

Board	Note	General fund		Restricted funds		Total	
		2019	2018	2019	2018	2019	2018
		\$	\$	\$	\$	\$	\$
<b>Income</b>							
Contributions and cash donations		652,827	103,931	627,742	1,285,352	1,280,569	1,389,283
Donations-in-kind		1,720,592	6,263,918	-	-	1,720,592	6,263,918
Cash donations for property, plant and equipment/heritage materials		77,164	762,080	-	-	77,164	762,080
Admission fees		3,568,083	3,289,102	143,244	129,719	3,711,327	3,418,821
Rental income		2,898,245	2,740,536	17,950	18,890	2,916,195	2,759,426
Interest income		2,465,710	1,659,896	2,530,678	1,357,614	4,996,388	3,017,510
Interest income from investments		-	-	616,310	-	616,310	-
Workshops/Seminars		101,434	123,028	2,299	2,968	103,733	125,996
Consultancy/Project management		55,413	40,466	-	-	55,413	40,466
Commission/royalties/consignment		115,672	103,602	9,403	13,308	125,075	116,910
Others		824,280	722,523	48,187	41,017	872,467	763,540
		<b>12,479,420</b>	<b>15,809,082</b>	<b>3,995,813</b>	<b>2,848,868</b>	<b>16,475,233</b>	<b>18,657,950</b>
<b>Other gains</b>							
Fair value gains – financial assets at fair value through profit or loss		-	40,698	-	-	-	40,698
Gain on disposal of property, plant and equipment		19	830	-	-	19	830
		<b>19</b>	<b>41,528</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>41,528</b>
<b>Operating expenditure</b>							
Employee benefits expense	4	(36,774,014)	(34,331,130)	(3,768,797)	(3,248,890)	(40,542,811)	(37,580,020)
Amortisation charge for prepaid lease	11	(106,250)	(106,250)	-	-	(106,250)	(106,250)
Depreciation of property, plant and equipment	12	(10,228,998)	(9,415,107)	(5,425,169)	(5,638,362)	(15,654,167)	(15,053,469)
Rental of premises/equipment		(10,607,273)	(9,917,004)	(398,610)	(581,864)	(11,005,883)	(10,498,868)
Maintenance and other property expenses		(13,701,313)	(14,151,653)	(2,254,865)	(2,466,035)	(15,956,178)	(16,617,688)
Exhibition expenses		(8,371,317)	(4,198,300)	(1,113,249)	(1,209,717)	(9,484,566)	(5,408,017)
Other services and fees		(11,105,547)	(8,156,690)	(1,242,224)	(1,443,609)	(12,347,771)	(9,600,299)
Outreach, publicity and public relations		(16,375,899)	(15,358,921)	(1,912,317)	(1,952,579)	(18,288,216)	(17,311,500)
Staff welfare and development		(1,777,067)	(1,418,601)	(75,516)	(63,885)	(1,852,583)	(1,482,486)
General and administrative expenses		(4,960,208)	(4,178,053)	(885,942)	(666,788)	(5,846,150)	(4,844,841)
Property, plant and equipment written off		(13,319)	-	-	-	(13,319)	-
Grant expenses		(2,458,567)	(1,741,257)	-	-	(2,458,567)	(1,741,257)
Board members' allowances	5	(222,188)	(202,294)	-	-	(222,188)	(202,294)
<b>Total operating expenditure</b>		<b>(116,701,960)</b>	<b>(103,175,260)</b>	<b>(17,076,689)</b>	<b>(17,271,729)</b>	<b>(133,778,649)</b>	<b>(120,446,989)</b>
<b>Deficit before grants</b>		<b>(104,222,521)</b>	<b>(87,324,650)</b>	<b>(13,080,876)</b>	<b>(14,422,861)</b>	<b>(117,303,397)</b>	<b>(101,747,511)</b>
<b>Grants</b>							
Deferred capital grants amortised	18	5,671,777	2,194,128	2,252,656	5,638,362	7,924,433	7,832,490
Grants received	16	95,879,959	95,375,692	13,975,208	10,142,113	109,855,167	105,517,805
		<b>101,551,736</b>	<b>97,569,820</b>	<b>16,227,864</b>	<b>15,780,475</b>	<b>117,779,600</b>	<b>113,350,295</b>
<b>(Deficit)/surplus before income tax</b>		<b>(2,670,785)</b>	<b>10,245,170</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>476,203</b>	<b>11,602,784</b>
Income tax expense	6	-	-	-	-	-	-
<b>Net (deficit)/surplus</b>	7	<b>(2,670,785)</b>	<b>10,245,170</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>476,203</b>	<b>11,602,784</b>
<b>Other comprehensive income</b>							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Grants for heritage materials	20	1,201,924	2,738,450	-	-	1,201,924	2,738,450
<b>Total comprehensive income</b>	7	<b>(1,468,861)</b>	<b>12,983,620</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>1,678,127</b>	<b>14,341,234</b>
<b>Adjusted net (deficit)/surplus</b>	7	<b>(3,186,682)</b>	<b>4,602,860</b>	<b>3,146,988</b>	<b>1,357,614</b>	<b>(39,694)</b>	<b>5,960,474</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## National Heritage Board and its Subsidiaries

### Balance sheets As at 31 March 2019

	Note	Group		Board	
		2019 \$	2018 \$	2019 \$	2018 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	317,164,070	360,803,701	308,004,174	353,059,132
Other receivables, deposits and prepayments	9	67,570,209	32,687,283	67,532,372	32,504,242
Inventories		125,450	127,383	–	–
		<b>384,859,729</b>	<b>393,618,367</b>	<b>375,536,546</b>	<b>385,563,374</b>
<b>Non-current assets</b>					
Subsidiaries	10	–	–	2	2
Prepaid leases	11	442,708	548,958	442,708	548,958
Property, plant and equipment	12	75,163,687	83,276,664	75,157,131	83,242,274
Heritage materials	13	499,614,414	492,654,808	498,306,153	491,346,547
Philatelic materials		2,534	2,534	–	–
Investments	14	40,289,435	–	40,289,435	–
		<b>615,512,778</b>	<b>576,482,964</b>	<b>614,195,429</b>	<b>575,137,781</b>
<b>Total assets</b>		<b>1,000,372,507</b>	<b>970,101,331</b>	<b>989,731,975</b>	<b>960,701,155</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Other payables	15	30,809,889	29,298,174	30,229,702	28,851,803
Grants received in advance	16	115,507,954	104,356,855	113,786,452	102,983,950
Deferred donations	17	12,485,675	7,702,940	12,485,675	7,702,940
		<b>158,803,518</b>	<b>141,357,969</b>	<b>156,501,829</b>	<b>139,538,693</b>
<b>Net current assets</b>		<b>226,056,211</b>	<b>252,260,398</b>	<b>219,034,717</b>	<b>246,024,681</b>
<b>Non-current liability</b>					
Deferred capital grants	18	39,426,620	43,090,865	39,421,456	43,059,399
		<b>39,426,620</b>	<b>43,090,865</b>	<b>39,421,456</b>	<b>43,059,399</b>
<b>Total liabilities</b>		<b>198,230,138</b>	<b>184,448,834</b>	<b>195,923,285</b>	<b>182,598,092</b>
<b>Net assets</b>		<b>802,142,369</b>	<b>785,652,497</b>	<b>793,808,690</b>	<b>778,103,063</b>
<b>Capital and reserves</b>					
Capital account	19	381,446,681	367,419,181	381,446,681	367,419,181
Heritage capital reserve	20	375,470,492	372,517,800	372,200,219	369,247,527
Accumulated surplus					
- General fund – others		29,393,938	31,796,375	25,064,847	28,251,529
- General fund – donated heritage materials and property, plant and equipment		7,347,448	8,582,319	7,036,533	8,271,404
- Restricted funds	21	8,483,810	5,336,822	8,060,410	4,913,422
		<b>802,142,369</b>	<b>785,652,497</b>	<b>793,808,690</b>	<b>778,103,063</b>
<b>Net assets of trust funds</b>	22	–	2,384	3,828,043	3,778,239

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## National Heritage Board and its Subsidiaries

### Statement of changes in capital and reserves For the financial year ended 31 March 2019

Group	Note	Capital account \$	Heritage capital reserve \$	Accumulated surplus			Total \$
				General fund - others \$	General fund - donated heritage materials and property, plant and equipment* \$	Restricted fund (Note 21) \$	
<b>2019</b>							
At 1 April 2018 (as previously reported)		367,419,181	372,517,800	28,337,528	8,582,319	8,755,669	785,652,497
Reclassification	21	–	–	3,418,847	–	(3,418,847)	–
At 1 April 2018 (as restated)		367,419,181	372,517,800	31,796,375	8,582,319	5,336,822	785,652,497
Total comprehensive income		–	1,201,924	(2,402,437)	515,897	3,146,988	2,462,372
Issuance of share capital	19	14,027,500	–	–	–	–	14,027,500
Transfer to heritage capital reserve	20	–	1,750,768	–	(1,750,768)	–	–
At 31 March 2019		<b>381,446,681</b>	<b>375,470,492</b>	<b>29,393,938</b>	<b>7,347,448</b>	<b>8,483,810</b>	<b>802,142,369</b>
<b>2018</b>							
At 1 April 2017		322,382,591	170,986,027	27,853,034	201,733,332	3,979,208	726,934,192
Total comprehensive income (as previously reported)		–	2,738,450	524,494	5,642,310	4,776,461	13,681,715
Reclassification	21	–	–	3,418,847	–	(3,418,847)	–
Total comprehensive (as restated)		–	2,738,450	3,943,341	5,642,310	1,357,614	13,681,715
Issuance of share capital	19	45,036,590	–	–	–	–	45,036,590
Transfer to heritage capital reserve	20	–	198,793,323	–	(198,793,323)	–	–
At 31 March 2018		367,419,181	372,517,800	31,796,375	8,582,319	5,336,822	785,652,497

\* As at 31 March 2019 and 2018, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## National Heritage Board and its Subsidiaries

### Statement of changes in capital and reserves For the financial year ended 31 March 2019

	Note	Capital account \$	Heritage capital reserve \$	Accumulated surplus			Total \$
				General fund - others \$	General fund - donated heritage materials and property, plant and equipment* \$	Restricted Fund (Note 21) \$	
<b>Board</b>							
<b>2019</b>							
At 1 April 2018 (as previously reported)		367,419,181	369,247,527	24,832,682	8,271,404	8,332,269	778,103,063
Reclassification	21	–	–	3,418,847	–	(3,418,847)	–
At 1 April 2018 (as restated)		367,419,181	369,247,527	28,251,529	8,271,404	4,913,422	778,103,063
Total comprehensive income		–	1,201,924	(3,186,682)	515,897	3,146,988	1,678,127
Issuance of share capital	19	14,027,500	–	–	–	–	14,027,500
Transfer to heritage capital reserve	20	–	1,750,768	–	(1,750,768)	–	–
At 31 March 2019		<b>381,446,681</b>	<b>372,200,219</b>	<b>25,064,847</b>	<b>7,036,533</b>	<b>8,060,410</b>	<b>793,808,690</b>
<b>2018</b>							
At 1 April 2017		322,382,591	167,715,754	23,648,669	201,422,417	3,555,808	718,725,239
Total comprehensive income (as previously reported)		–	2,738,450	1,184,013	5,642,310	4,776,461	14,341,234
Reclassification	21	–	–	3,418,847	–	(3,418,847)	–
Total comprehensive income (as restated)		–	2,738,450	4,602,860	5,642,310	1,357,614	14,341,234
Issuance of share capital	19	45,036,590	–	–	–	–	45,036,590
Transfer to heritage capital reserve	20	–	198,793,323	–	(198,793,323)	–	–
At 31 March 2018		367,419,181	369,247,527	28,251,529	8,271,404	4,913,422	778,103,063

\* As at 31 March 2019 and 2018, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## National Heritage Board and its Subsidiaries

### Consolidated statement of cash flows For the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
<b>Operating activities</b>			
Deficit before grants		(116,545,452)	(102,446,919)
<u>Adjustments for:</u>			
Fair value gains on financial assets at fair value through profit or loss		–	(43,412)
Depreciation of property, plant and equipment	12	15,682,001	15,076,541
Contributions and cash donations		(1,600,266)	(1,741,176)
Donations-in-kind		(1,720,592)	(6,263,918)
Cash donations for property, plant and equipment/heritage materials		(77,164)	(762,080)
Interest income		(5,718,350)	(3,099,744)
Gain on disposal of property, plant and equipment		(19)	(830)
Property, plant and equipment written off		13,319	–
Amortisation of prepaid leases	11	106,250	106,250
<b>Operating cash flow before changes in working capital</b>		<b>(109,860,273)</b>	<b>(99,175,288)</b>
<u>Changes in working capital</u>			
Inventories		1,933	(9,853)
Other receivables, deposits and prepayments		(32,532,263)	22,335,541
Other payables		1,511,715	(605,463)
<b>Net cash flows used in operating activities</b>		<b>(140,878,888)</b>	<b>(77,455,063)</b>
<b>Investing activities</b>			
Acquisition of heritage materials		(5,239,014)	(9,528,708)
Acquisition of property, plant and equipment	12	(7,582,343)	(5,280,753)
Interest received		3,784,649	4,908,510
Proceeds from investments by fund managers		–	31,484,451
Proceeds from disposal of property, plant and equipment		19	830
Acquisition of investments		(40,706,397)	–
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(49,743,086)</b>	<b>21,584,330</b>
<b>Financing activities</b>			
Issuance of share capital	19	14,027,500	45,036,590
Grants received	16	126,494,678	107,629,109
Donations received	17	6,460,165	1,801,376
<b>Net cash flows from financing activities</b>		<b>146,982,343</b>	<b>154,467,075</b>
Net (decrease)/increase in cash and cash equivalents		(43,639,631)	98,596,342
Cash and cash equivalents at beginning of financial year		360,803,701	262,207,359
<b>Cash and cash equivalents at end of financial year</b>	8	<b>317,164,070</b>	<b>360,803,701</b>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 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 ("HIs"). 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 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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 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. Summary of significant accounting policies

##### 2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the provisions of the National Heritage Board Act (Chapter 196A) and 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.

##### 2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2018. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Board.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretation applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
SB-FRS 116 <i>Leases</i>	1 January 2019
SB-FRS INT 123 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SB-FRS 109 <i>Prepayment Features with Negative Compensations</i>	1 January 2019
Annual improvement to SB-FRSs 2015-2017 Cycle	1 January 2019
SB-FRS 1002 <i>Impairment of Non-Cash-Generating Assets</i>	1 January 2019

Except for SB-FRS 116, the Group expects that the adoption of the other standards and interpretation above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting period on adoption of SB-FRS 116 is described below:

#### SB-FRS 116 *Leases*

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

The Group plans to adopt SB-FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

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

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



## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 2. Summary of significant accounting policies (continued)

##### 2.3 Standards issued but not yet effective (continued)

###### SB-FRS 116 Leases (continued)

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

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

The Group has performed a preliminary impact assessment based on currently available information and expects that the adoption of SB-FRS 116 will result in the increase in total assets and total liabilities of approximately \$22,000,000. The assessment may be subject to changes arising from ongoing analysis until the Group adopts SB-FRS 116 in FY19/20.

##### 2.4 Subsidiaries

###### Consolidation

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.5 Foreign currencies

The financial statements are presented in Singapore Dollar, which is the functional currency of the Board. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### *Transactions and balances*

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.

### 2.6 Revenue recognition

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

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

#### (a) Admission fees

Admission fees are recognised at a point in time as income upon the usage of admission tickets.

#### (b) Rental income

Rental income is recognised on a straight-line basis over the lease term.

#### (c) Income from rendering of services

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

#### (d) 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.

#### (e) Interest income

Interest income is recognised using the effective interest method.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.6 Revenue recognition (continued)

#### (f) 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.

### 2.7 Grants

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.

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 the statement of comprehensive income to match the net book value of the assets written off.

Grants utilised for the purchase of heritage materials are recognised in other comprehensive income in the statement of comprehensive income and directly into heritage capital reserve in the statement of changes in capital and reserves.

Other grants are recognised in the statement of comprehensive income on a systematic basis over the periods necessary to match the intended costs for which the grant is intended to compensate. Such grants which are received but not utilised are included in the grants received in advance account.

### 2.8 Employee benefits expense

#### (a) Defined contribution plans

The Group's contributions to defined contribution plans are recognised as employee benefits 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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 2. Summary of significant accounting policies (continued)

##### 2.9 *Operating lease payments*

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

##### 2.10 *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.

##### 2.11 *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.

##### *Heritage capital reserve*

Funds from grants and cash donations used to procure heritage assets are recognised in the statement of comprehensive income in accordance with Note 2.7 and Note 2.6(f).

Donations of heritage assets are recognised as revenue in accordance with Note 2.6(f).

Donated heritage materials and cash donations utilised to purchase heritage materials are recognised in the statement of comprehensive income and directly into "general fund – donated heritage materials and property, plant and equipment" in the statement of changes in capital and reserves. The amount is subsequently reclassified to heritage capital reserve in the statement of changes in capital and reserves. The impact is disclosed in Note 20.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.12 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.

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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.12 *Property, plant and equipment (continued)*

#### (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) *Disposals*

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 the statement of comprehensive income.

### 2.13 *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.

### 2.14 *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.

### 2.15 *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 the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.15 *Impairment of non-financial assets (continued)*

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 the 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 the statement of comprehensive income.

### 2.16 *Financial instruments*

#### (a) *Financial assets*

##### *Initial recognition and measurement*

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

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

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

##### *Subsequent measurement*

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

##### Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.16 *Financial instruments (continued)*

#### (a) *Financial assets (continued)*

##### *De-recognition*

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

#### (b) *Financial liabilities*

##### *Initial recognition and measurement*

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

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

##### *Subsequent measurement*

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

##### *De-recognition*

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

### 2.17 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).



## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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## 2. Summary of significant accounting policies (continued)

### 2.17 *Impairment of financial assets (continued)*

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

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

### 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 the 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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### **2. Summary of significant accounting policies (continued)**

##### **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.

##### **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.

###### *(a) 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.

###### *(b) 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 21 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 22.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 March 2019

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#### 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 benefits expense

	Group		Board	
	2019	2018	2019	2018
	\$	\$	\$	\$
Wages and salaries	36,641,488	34,178,098	35,424,575	32,924,060
Employer's contribution to Central Provident Fund	5,245,375	4,805,016	5,114,454	4,652,178
Other benefits	3,782	3,782	3,782	3,782
	<b>41,890,645</b>	<b>38,986,896</b>	<b>40,542,811</b>	<b>37,580,020</b>

Key management personnel compensation is as follows:

	Group		Board	
	2019	2018	2019	2018
	\$	\$	\$	\$
Wages and salaries	4,801,887	4,961,531	4,325,661	4,405,926
Employer's contribution to Central Provident Fund	332,408	384,035	301,877	341,892
	<b>5,134,295</b>	<b>5,345,566</b>	<b>4,627,538</b>	<b>4,747,818</b>

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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 5. Board members' allowance

Position	Group and Board			
	2019	2019	2018	2018
	\$	\$	\$	\$
	Allowance per annum		Allowance per annum	
	Main Board	Sub-boards	Main Board	Sub-boards
Chairman of the Board	22,500	–	22,500	–
Chairman of Audit Committee	16,875	–	16,875	–
Member of Audit Committee and Chairman of Sub-boards	11,250	5,625	11,250	5,625
Member	5,625	2,813	5,625	2,813

The National Heritage Board (referred to as "Main Board") has three (2018: three) Sub-boards, namely Asian Civilisations Museum Advisory Board, National Museum of Singapore Advisory Board and Preservation of Sites and Monuments Advisory Board (referred to as "Sub-boards") (2018: Asian Civilisations Museum Advisory Board, National Museum of Singapore Advisory Board and Preservation of Sites and Monuments Advisory Board).

#### 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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 7. Adjusted net (deficit)/surplus

Adjusted net (deficit)/surplus is derived after excluding the effects of donations relating to heritage materials and property, plant and equipment (net of depreciation).

Group	General fund		Restricted funds		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Net (deficit)/surplus</b>	<b>(1,886,540)</b>	9,585,651	<b>3,146,988</b>	1,357,614	<b>1,260,448</b>	10,943,265
(Less)/Add:						
Donations relating to heritage materials						
– Donations-in-kind	(1,720,592)	(6,263,918)	–	–	(1,720,592)	(6,263,918)
– Funded by cash donations	(30,176)	(345,037)	–	–	(30,176)	(345,037)
	(1,750,768)	(6,608,955)	–	–	(1,750,768)	(6,608,955)
Donations relating to property, plant and equipment (net of depreciation)						
– Funded by cash donations	(46,988)	(417,043)	–	–	(46,988)	(417,043)
– Depreciation charged for the year	1,281,859	1,383,688	–	–	1,281,859	1,383,688
	1,234,871	966,645	–	–	1,234,871	966,645
<b>Adjusted net (deficit)/surplus</b>	<b>(2,402,437)</b>	3,943,341	<b>3,146,988</b>	1,357,614	<b>744,551</b>	5,300,955

Board	General fund		Restricted funds		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Net (deficit)/surplus</b>	<b>(2,670,785)</b>	10,245,170	<b>3,146,988</b>	1,357,614	<b>476,203</b>	11,602,784
(Less)/Add:						
Donations relating to heritage materials						
– Donations-in-kind	(1,720,592)	(6,263,918)	–	–	(1,720,592)	(6,263,918)
– Funded by cash donations	(30,176)	(345,037)	–	–	(30,176)	(345,037)
	(1,750,768)	(6,608,955)	–	–	(1,750,768)	(6,608,955)
Donations relating to property, plant and equipment (net of depreciation)						
– Funded by cash donations	(46,988)	(417,043)	–	–	(46,988)	(417,043)
– Depreciation charged for the year	1,281,859	1,383,688	–	–	1,281,859	1,383,688
	1,234,871	966,645	–	–	1,234,871	966,645
<b>Adjusted net (deficit)/surplus</b>	<b>(3,186,682)</b>	4,602,860	<b>3,146,988</b>	1,357,614	<b>(39,694)</b>	5,960,474

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 8. Cash and cash equivalents

	Group		Board	
	2019 \$	2018 \$	2019 \$	2018 \$
Cash and bank balances	<b>13,842,340</b>	12,433,068	<b>13,296,078</b>	12,139,127
Cash managed by AGD through Centralised Liquidity Management	<b>110,415,330</b>	294,251,651	<b>109,182,520</b>	294,177,792
Fixed deposits	<b>192,906,400</b>	54,118,982	<b>185,525,576</b>	46,742,213
	<b>317,164,070</b>	360,803,701	<b>308,004,174</b>	353,059,132

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 1.8% (2018: 1.3%) and 1.8% (2018: 1.3%) per annum respectively. The fixed deposits mature at varying periods.

#### 9. Other receivables, deposits and prepayments

	Group		Board	
	2019 \$	2018 \$	2019 \$	2018 \$
Grants receivables	<b>61,892,201</b>	30,336,707	<b>61,892,201</b>	30,336,707
Interest receivables	<b>2,646,526</b>	295,863	<b>2,631,078</b>	283,420
Other receivables	<b>1,834,399</b>	1,482,089	<b>1,819,938</b>	1,321,717
Deposits	<b>453,653</b>	440,502	<b>451,613</b>	438,502
Other receivables and deposits	<b>66,826,779</b>	32,555,161	<b>66,794,830</b>	32,380,346
Prepayments	<b>743,430</b>	132,122	<b>737,542</b>	123,896
Total other receivables, deposits and prepayments	<b>67,570,209</b>	32,687,283	<b>67,532,372</b>	32,504,242

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 9. Other receivables, deposits and prepayments (continued)

##### *Receivables that are impaired*

The Group's other receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Group and Board 2018</b>
	\$
Other receivables	118,800
Less: Allowance for impairment	(118,800)
	<hr/> – <hr/>
<b><i>Movement in allowance accounts:</i></b>	
At 1 April	–
Charge for the year	118,800
	<hr/>
At 31 March	118,800
	<hr/>

Other receivables that are individually determined to be impaired at the end of the reporting period relate to a debtor that is in significant financial difficulties and has defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

##### Expected credit losses

The movement in allowance for expected credit losses of other receivables computed based on lifetime ECL are as follows:

	<b>Group and Board 2019</b>
	\$
<b>Movement in allowance accounts:</b>	
At 1 April	<b>118,800</b>
Written off	<b>(118,800)</b>
	<hr/>
At 31 March	–
	<hr/>

As the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery, the amount is written off according to the Group's write off policy (Note 27b).

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 10. Subsidiaries

	Board	
	2019	2018
	\$	\$
Unquoted ordinary shares, at cost	2	2

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation/ Principal place of business	Proportion (%) of ownership interest	
			2019 %	2018 %
Singapore Philatelic Museum # <sup>o</sup>	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 Ernst & Young LLP

<sup>o</sup> Limited by guarantee with no share capital

#### 11. Prepaid lease

	Group and Board	
	2019	2018
	\$	\$
<b>Cost</b>		
At 1 April and 31 March	<b>850,000</b>	850,000
<b>Accumulated amortisation</b>		
At 1 April	<b>301,042</b>	194,792
Amortisation charge for the year	<b>106,250</b>	106,250
At 31 March	<b>407,292</b>	301,042
Carrying amount as at 31 March	<b>442,708</b>	548,958

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



National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

12. Property, plant and equipment

	Leasehold building and improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in- progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>							
<b>2019</b>							
<b>Cost:</b>							
At 1 April 2018	326,609,299	1,680,212	1,589,308	22,789,350	8,894,879	4,288,820	365,851,868
Additions	201,747	72,025	149,977	246,695	639,425	6,272,474	7,582,343
Transfer from work-in-progress	6,376,696	–	–	51,818	961,207	(7,389,721)	–
Disposals	–	–	(29,373)	(9,376)	(19,250)	–	(57,999)
Write-offs	(15,500)	(14,260)	(25,794)	(186,653)	(432,953)	–	(675,160)
At 31 March 2019	<b>333,172,242</b>	<b>1,737,977</b>	<b>1,684,118</b>	<b>22,891,834</b>	<b>10,043,308</b>	<b>3,171,573</b>	<b>372,701,052</b>
<b>Accumulated depreciation:</b>							
At 1 April 2018	258,957,676	1,376,390	958,832	13,875,681	7,406,625	–	282,575,204
Depreciation charge	11,729,251	56,115	121,080	2,334,189	1,441,366	–	15,682,001
Disposals	–	–	(29,373)	(9,376)	(19,250)	–	(57,999)
Write-offs	(15,500)	(5,644)	(22,342)	(185,402)	(432,953)	–	(661,841)
At 31 March 2019	<b>270,671,427</b>	<b>1,426,861</b>	<b>1,028,197</b>	<b>16,015,092</b>	<b>8,395,788</b>	<b>–</b>	<b>297,537,365</b>
<b>Net carrying amount:</b>							
At 31 March 2019	<b>62,500,815</b>	<b>311,116</b>	<b>655,921</b>	<b>6,876,742</b>	<b>1,647,520</b>	<b>3,171,573</b>	<b>75,163,687</b>

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

12. Property, plant and equipment (continued)

	Leasehold building and improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in- progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>							
<b>2018</b>							
<b>Cost:</b>							
At 1 April 2017	323,690,110	1,661,763	1,382,980	21,530,282	8,543,625	3,832,263	360,641,023
Additions	35,710	18,449	221,877	1,160,952	52,596	3,791,169	5,280,753
Transfer from work-in-progress	2,883,479	–	6,291	98,116	346,726	(3,334,612)	–
Disposals	–	–	(21,840)	–	(31,440)	–	(53,280)
Write-offs	–	–	–	–	(16,628)	–	(16,628)
At 31 March 2018	326,609,299	1,680,212	1,589,308	22,789,350	8,894,879	4,288,820	365,851,868
<b>Accumulated depreciation:</b>							
At 1 April 2017	247,746,370	1,271,895	875,465	11,584,790	6,090,051	–	267,568,571
Depreciation charge	11,211,306	104,495	105,207	2,290,891	1,364,642	–	15,076,541
Disposals	–	–	(21,840)	–	(31,440)	–	(53,280)
Write-offs	–	–	–	–	(16,628)	–	(16,628)
At 31 March 2018	258,957,676	1,376,390	958,832	13,875,681	7,406,625	–	282,575,204
<b>Net carrying amount:</b>							
At 31 March 2018	67,651,623	303,822	630,476	8,913,669	1,488,254	4,288,820	83,276,664

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

12. Property, plant and equipment (continued)

	Leasehold building and improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in- progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>							
<b>2019</b>							
<b>Cost:</b>							
At 1 April 2018	326,220,356	1,619,879	1,589,308	21,498,916	8,868,078	4,288,820	364,085,357
Additions	201,747	72,025	149,977	246,695	639,425	6,272,474	7,582,343
Transfer from work-in-progress	6,376,696	–	–	51,818	961,207	(7,389,721)	–
Disposals	–	–	(29,373)	(9,376)	(19,250)	–	(57,999)
Write-offs	(15,500)	(14,260)	(25,794)	(186,653)	(432,953)	–	(675,160)
At 31 March 2019	<b>332,783,299</b>	<b>1,677,644</b>	<b>1,684,118</b>	<b>21,601,400</b>	<b>10,016,507</b>	<b>3,171,573</b>	<b>370,934,541</b>
<b>Accumulated depreciation:</b>							
At 1 April 2018	258,568,733	1,316,057	958,832	12,616,009	7,383,452	–	280,843,083
Depreciation charge	11,729,251	56,115	121,080	2,307,599	1,440,122	–	15,654,167
Disposals	–	–	(29,373)	(9,376)	(19,250)	–	(57,999)
Write-offs	(15,500)	(5,644)	(22,342)	(185,402)	(432,953)	–	(661,841)
At 31 March 2019	<b>270,282,484</b>	<b>1,366,528</b>	<b>1,028,197</b>	<b>14,728,830</b>	<b>8,371,371</b>	<b>–</b>	<b>295,777,410</b>
<b>Net carrying amount:</b>							
At 31 March 2019	<b>62,500,815</b>	<b>311,116</b>	<b>655,921</b>	<b>6,872,570</b>	<b>1,645,136</b>	<b>3,171,573</b>	<b>75,157,131</b>

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

12. Property, plant and equipment (continued)

	Leasehold building and improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in- progress	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>							
<b>2018</b>							
<b>Cost:</b>							
At 1 April 2017	323,301,167	1,601,430	1,382,980	20,239,848	8,520,556	3,832,263	358,878,244
Additions	35,710	18,449	221,877	1,160,952	48,864	3,791,169	5,277,021
Transfer from work-in-progress	2,883,479	–	6,291	98,116	346,726	(3,334,612)	–
Disposals	–	–	(21,840)	–	(31,440)	–	(53,280)
Write-offs	–	–	–	–	(16,628)	–	(16,628)
At 31 March 2018	326,220,356	1,619,879	1,589,308	21,498,916	8,868,078	4,288,820	364,085,357
<b>Accumulated depreciation:</b>							
At 1 April 2017	247,357,427	1,211,562	875,465	10,348,086	6,066,982	–	265,859,522
Depreciation charge	11,211,306	104,495	105,207	2,267,923	1,364,538	–	15,053,469
Disposals	–	–	(21,840)	–	(31,440)	–	(53,280)
Write-offs	–	–	–	–	(16,628)	–	(16,628)
At 31 March 2018	258,568,733	1,316,057	958,832	12,616,009	7,383,452	–	280,843,083
<b>Net carrying amount:</b>							
At 31 March 2018	67,651,623	303,822	630,476	8,882,907	1,484,626	4,288,820	83,242,274

The cost of property, plant and equipment that has been fully depreciated for the Group and the Board as at 31 March 2019 was \$233,370,264 (2018: \$226,393,505) and \$231,625,811 (2018: \$224,745,490) respectively.

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

13. Heritage materials

	Asian Civilisations Museum \$	National Museum of Singapore \$	Singapore Art Museum \$	National Gallery Singapore \$	Heritage institution \$	Art Bank Scheme/ Government Institution Scheme \$	Philatelic collection \$	Total \$
<b>Group</b>								
<b>2019</b>								
At 1 April 2018	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	1,308,261	492,654,808
Additions	1,422,761	472,724	2,604,062	2,201,666	258,393	–	–	6,959,606
At 31 March 2019	<b>205,087,811</b>	<b>40,318,293</b>	<b>174,023,493</b>	<b>65,819,515</b>	<b>10,942,789</b>	<b>2,114,252</b>	<b>1,308,261</b>	<b>499,614,414</b>
At cost	84,552,029	11,664,622	51,951,668	39,495,844	10,741,001	2,114,252	1,208,126	201,727,542
At valuation	120,535,782	28,653,671	122,071,825	26,323,671	201,788	–	100,135	297,886,872
	<b>205,087,811</b>	<b>40,318,293</b>	<b>174,023,493</b>	<b>65,819,515</b>	<b>10,942,789</b>	<b>2,114,252</b>	<b>1,308,261</b>	<b>499,614,414</b>

**National Heritage Board and its Subsidiaries**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**13. Heritage materials (continued)**

	<b>Asian Civilisations Museum</b>	<b>National Museum of Singapore</b>	<b>Singapore Art Museum</b>	<b>National Gallery Singapore</b>	<b>Heritage institution</b>	<b>Art Bank Scheme/ Government Institution Scheme</b>	<b>Philatelic collection</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>								
<b>2018</b>								
At 1 April 2017	200,369,195	38,299,212	169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182
Additions	3,295,855	1,546,357	1,853,812	8,949,117	147,485	–	–	15,792,626
At 31 March 2018	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	1,308,261	492,654,808
At cost	83,494,177	11,235,713	49,542,839	38,405,038	10,488,383	2,114,252	1,208,126	196,488,528
At valuation	120,170,873	28,609,856	121,876,592	25,212,811	196,013	–	100,135	296,166,280
	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	1,308,261	492,654,808

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

13. Heritage materials (continued)

	Asian Civilisations Museum \$	National Museum of Singapore \$	Singapore Art Museum \$	National Gallery Singapore \$	Heritage institution \$	Art Bank Scheme/ Government Institution Scheme \$	Total \$
<b>Board</b>							
<b>2019</b>							
At 1 April 2018	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	491,346,547
Additions	1,422,761	472,724	2,604,062	2,201,666	258,393	–	6,959,606
At 31 March 2019	<b>205,087,811</b>	<b>40,318,293</b>	<b>174,023,493</b>	<b>65,819,515</b>	<b>10,942,789</b>	<b>2,114,252</b>	<b>498,306,153</b>
At cost	84,552,029	11,664,622	51,951,668	39,495,844	10,741,001	2,114,252	200,519,416
At valuation	120,535,782	28,653,671	122,071,825	26,323,671	201,788	–	297,786,737
	<b>205,087,811</b>	<b>40,318,293</b>	<b>174,023,493</b>	<b>65,819,515</b>	<b>10,942,789</b>	<b>2,114,252</b>	<b>498,306,153</b>

**National Heritage Board and its Subsidiaries**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**13. Heritage materials (continued)**

	<b>Asian Civilisations Museum</b>	<b>National Museum of Singapore</b>	<b>Singapore Art Museum</b>	<b>National Gallery Singapore</b>	<b>Heritage institution</b>	<b>Art Bank Scheme/ Government Institution Scheme</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>							
<b>2018</b>							
At 1 April 2017	200,369,195	38,299,212	169,565,619	54,668,732	10,536,911	2,114,252	475,553,921
Additions	3,295,855	1,546,357	1,853,812	8,949,117	147,485	–	15,792,626
At 31 March 2018	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	491,346,547
At cost	83,494,177	11,235,713	49,542,839	38,405,038	10,488,383	2,114,252	195,280,402
At valuation	120,170,873	28,609,856	121,876,592	25,212,811	196,013	–	296,066,145
	203,665,050	39,845,569	171,419,431	63,617,849	10,684,396	2,114,252	491,346,547

Heritage materials are subject to write-off according to the Board's policy. There were no write-off of heritage materials for the financial year ended 31 March 2019 and 2018.



## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 14. Investments

	Group		Board	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Non-current</b>				
Government bonds, at amortised cost	<b>40,289,435</b>	–	<b>40,289,435</b>	–

The Group has elected to measure these debt instruments at amortised cost due to the Group's intention to hold these debt instruments to maturity. The government bonds ranging from 2.57% to 4.30% per annum and maturity date ranging from August 2020 to August 2023.

No impairment loss has been recognised for the financial year ended 31 March 2019.

#### 15. Other payables

	Group		Board	
	2019	2018	2019	2018
	\$	\$	\$	\$
Accrual for staff costs	<b>9,672,930</b>	8,690,449	<b>9,245,352</b>	8,354,438
Other payables	<b>21,136,959</b>	20,607,725	<b>20,984,350</b>	20,497,365
	<b>30,809,889</b>	29,298,174	<b>30,229,702</b>	28,851,803

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.

#### 16. Grants received in advance

	Operating Grants			
	Group		Board	
	2019	2018	2019	2018
	\$	\$	\$	\$
At 1 April	<b>104,356,855</b>	106,180,119	<b>102,983,950</b>	105,136,366
Grants received during the year	<b>126,494,678</b>	107,629,109	<b>126,146,083</b>	107,282,748
Transfer to deferred capital grants (Note 18)	<b>(4,286,490)</b>	(1,178,909)	<b>(4,286,490)</b>	(1,178,909)
Transfer to heritage capital reserve (Note 20)	<b>(1,201,924)</b>	(2,738,450)	<b>(1,201,924)</b>	(2,738,450)
Transfer to the statement of comprehensive income	<b>(109,855,165)</b>	(105,535,014)	<b>(109,855,167)</b>	(105,517,805)
At 31 March	<b>115,507,954</b>	104,356,855	<b>113,786,452</b>	102,983,950

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 17. Deferred donations

	Group		Board	
	2019 \$	2018 \$	2019 \$	2018 \$
At 1 April	<b>7,702,940</b>	8,404,820	<b>7,702,940</b>	8,404,820
Total donations received for the year	<b>6,460,165</b>	1,801,376	<b>6,140,468</b>	1,449,483
Transfer to the statement of comprehensive income	<b>(1,677,430)</b>	(2,503,256)	<b>(1,357,733)</b>	(2,151,363)
At 31 March	<b>12,485,675</b>	7,702,940	<b>12,485,675</b>	7,702,940

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. During the current financial year, the Group and the Board utilised \$30,176 (2018: \$345,037) (Note 13) and \$46,988 (2018: \$417,043) to purchase heritage materials and property, plant and equipment respectively. 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.

#### 18. Deferred capital grants

	Group		Board	
	2019 \$	2018 \$	2019 \$	2018 \$
At 1 April	<b>43,090,865</b>	49,767,126	<b>43,059,399</b>	49,712,980
Transfer from grants (Note 16)	<b>4,286,490</b>	1,178,909	<b>4,286,490</b>	1,178,909
Amortisation of deferred capital grants				
- Depreciation of property, plant and equipment	<b>(7,937,416)</b>	(7,855,170)	<b>(7,911,114)</b>	(7,832,490)
- Write-off of property, plant and equipment	<b>(13,319)</b>	–	<b>(13,319)</b>	–
	<b>(7,950,735)</b>	(7,855,170)	<b>(7,924,433)</b>	(7,832,490)
At 31 March	<b>39,426,620</b>	43,090,865	<b>39,421,456</b>	43,059,399

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 19. Capital account

	Group and Board	
	2019	2018
	\$	\$
At 1 April	<b>367,419,181</b>	322,382,591
Issue of shares	<b>14,027,500</b>	45,036,590
At 31 March	<b>381,446,681</b>	367,419,181

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 14,027,500 (2018: 45,036,590) shares at \$1 each, comprising \$nil (2018: \$38,066,154) as a sinking fund which is designated to fund the replacement and capital improvement of property, plant and equipment, \$11,461,000 (2018: \$6,494,400) for acquisition of heritage materials and \$2,566,500 (2018: \$476,036) 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.

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.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

#### 20. Heritage capital reserve

	Group		Board	
	2019 \$	2018 \$	2019 \$	2018 \$
At 1 April	369,247,437	167,715,664	369,247,527	167,715,754
Cumulative transfer from general fund for donated heritage materials and cash donations utilised to purchase heritage materials (Note 21b)	–	192,184,368	–	192,184,368
Current year transfer from general fund for donated heritage materials and donations utilised to purchase heritage materials	1,750,768	6,608,955	1,750,768	6,608,955
Grants for heritage materials (Note 16)	1,201,924	2,738,450	1,201,924	2,738,450
At 31 March	372,200,129	369,247,437	372,200,219	369,247,527
<b>Philatelic assets</b>				
At beginning and end of the financial year	3,270,363	3,270,363	–	–
	<b>375,470,492</b>	372,517,800	<b>372,200,219</b>	369,247,527

The heritage capital reserve comprises cash donations and government grants 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.

#### 21. 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 statement of comprehensive income. General Fund - Others excludes income and expenditure relating to General Fund – Donated heritage materials and property, plant and equipment as described in Note 21(b).

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 21. Accumulated surplus (continued)

##### (a) **General Fund – Others (continued)**

###### *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 cash donations utilised to purchase heritage materials and property, plant and equipment are accounted for through this fund in the Group's and the Board's statement of comprehensive income. Heritage materials received by the Group as donations are not intended for trading or for sale.

In the previous financial year, as disclosed in Note 2.11, management has made a decision that the reserve in general fund supporting donated heritage materials and cash donations utilised to purchase heritage materials should be reclassified to heritage capital reserve, in view that these relate to heritage materials (Note 20).

As at 31 March 2019, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

##### (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:

<b>Name of Fund</b>	<b>Purpose</b>
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.

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

Group	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Income</b>								
Contribution and cash donations	<b>58,053</b>	397,011	<b>569,689</b>	888,341	–	–	<b>627,742</b>	1,285,352
Admission fees	<b>143,244</b>	129,719	–	–	–	–	<b>143,244</b>	129,719
Rental income	<b>17,950</b>	18,890	–	–	–	–	<b>17,950</b>	18,890
Interest income	–	–	–	–	<b>2,530,678</b>	1,357,614	<b>2,530,678</b>	1,357,614
Interest income from investments	–	–	–	–	<b>616,310</b>	–	<b>616,310</b>	–
Workshop/seminars	<b>2,299</b>	2,968	–	–	–	–	<b>2,299</b>	2,968
Commission/royalties/consignment	<b>9,403</b>	13,308	–	–	–	–	<b>9,403</b>	13,308
Others	<b>48,187</b>	41,017	–	–	–	–	<b>48,187</b>	41,017
	<b>279,136</b>	602,913	<b>569,689</b>	888,341	<b>3,146,988</b>	1,357,614	<b>3,995,813</b>	2,848,868

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

Group	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating expenditure</b>								
Employee benefits expense	(3,768,797)	(3,248,890)	–	–	–	–	(3,768,797)	(3,248,890)
Depreciation of property, plant and equipment and equipment	(4,143,310)	(4,254,674)	(1,281,859)	(1,383,688)	–	–	(5,425,169)	(5,638,362)
Rental of premises/ equipment	(398,610)	(581,864)	–	–	–	–	(398,610)	(581,864)
Maintenance and other property expenses	(2,217,220)	(2,314,630)	(37,645)	(151,405)	–	–	(2,254,865)	(2,466,035)
Exhibition expenses	(1,031,084)	(1,013,273)	(82,165)	(196,444)	–	–	(1,113,249)	(1,209,717)
Other services and fees	(1,232,624)	(1,400,623)	(9,600)	(42,986)	–	–	(1,242,224)	(1,443,609)
Outreach, publicity and public relations	(1,475,583)	(1,458,544)	(436,734)	(494,035)	–	–	(1,912,317)	(1,952,579)
Staff welfare and development	(72,966)	(61,244)	(2,550)	(2,641)	–	–	(75,516)	(63,885)
General and administrative expenses	(884,947)	(665,958)	(995)	(830)	–	–	(885,942)	(666,788)
Total operating expenses	(15,225,141)	(14,999,700)	(1,851,548)	(2,272,029)	–	–	(17,076,689)	(17,271,729)

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Group</b>								
<b>Deficit before grants</b>	<b>(14,946,005)</b>	(14,396,787)	<b>(1,281,859)</b>	(1,383,688)	<b>3,146,988</b>	1,357,614	<b>(13,080,876)</b>	(14,422,861)
Deferred capital grants amortised	<b>2,252,656</b>	4,254,674	–	1,383,688	–	–	<b>2,252,656</b>	5,638,362
Grants received	<b>12,693,349</b>	10,142,113	<b>1,281,859</b>	–	–	–	<b>13,975,208</b>	10,142,113
<b>Net surplus</b>	<b>–</b>	–	–	–	<b>3,146,988</b>	1,357,614	<b>3,146,988</b>	1,357,614
Accumulated surplus at beginning of the financial year	–	–	–	–	5,336,822	3,979,208	5,336,822	3,979,208
Accumulated surplus at end of the financial year	–	–	–	–	<b>8,483,810</b>	5,336,822	<b>8,483,810</b>	5,336,822
<b>Represented by:</b>								
<b>Assets</b>								
Cash and cash equivalents	–	–	–	–	<b>8,483,810</b>	5,336,822	<b>8,483,810</b>	5,336,822
<b>Net assets</b>	<b>–</b>	–	–	–	<b>8,483,810</b>	5,336,822	<b>8,483,810</b>	5,336,822

Note A: In the previous financial year, the Group received a one-off grant of \$3,418,847 from MCCY specifically to match certain depreciation charges. The amount was classified as grants received under development fund within restricted funds in the statement of comprehensive income in the previous financial year. Management has clarified and reassessed that the grants should be classified under general fund instead of restricted funds as the depreciation charges are included in general fund. Accordingly, management has reclassified the amount from restricted fund to general fund.



National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>								
<b>Income</b>								
Contribution and cash donations	<b>58,053</b>	397,011	<b>569,689</b>	888,341	–	–	<b>627,742</b>	1,285,352
Admission fees	<b>143,244</b>	129,719	–	–	–	–	<b>143,244</b>	129,719
Rental income	<b>17,950</b>	18,890	–	–	–	–	<b>17,950</b>	18,890
Interest income	–	–	–	–	<b>2,530,678</b>	1,357,614	<b>2,530,678</b>	1,357,614
Interest income from investments	–	–	–	–	<b>616,310</b>	–	<b>616,310</b>	–
Workshop/seminars	<b>2,299</b>	2,968	–	–	–	–	<b>2,299</b>	2,968
Commission/royalties/consignment	<b>9,403</b>	13,308	–	–	–	–	<b>9,403</b>	13,308
Others	<b>48,187</b>	41,017	–	–	–	–	<b>48,187</b>	41,017
	<b>279,136</b>	602,913	<b>569,689</b>	888,341	<b>3,146,988</b>	1,357,614	<b>3,995,813</b>	2,848,868

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>								
<b>Operating expenditure</b>								
Employee benefits expense	(3,768,797)	(3,248,890)	–	–	–	–	(3,768,797)	(3,248,890)
Depreciation of property, plant and equipment and equipment	(4,143,310)	(4,254,674)	(1,281,859)	(1,383,688)	–	–	(5,425,169)	(5,638,362)
Rental of premises/equipment	(398,610)	(581,864)	–	–	–	–	(398,610)	(581,864)
Maintenance and other property expenses	(2,217,220)	(2,314,630)	(37,645)	(151,405)	–	–	(2,254,865)	(2,466,035)
Exhibition expenses	(1,031,084)	(1,013,273)	(82,165)	(196,444)	–	–	(1,113,249)	(1,209,717)
Other services and fees	(1,232,624)	(1,400,623)	(9,600)	(42,986)	–	–	(1,242,224)	(1,443,609)
Outreach, publicity and public relations	(1,475,583)	(1,458,544)	(436,734)	(494,035)	–	–	(1,912,317)	(1,952,579)
Staff welfare and development	(72,966)	(61,244)	(2,550)	(2,641)	–	–	(75,516)	(63,885)
General and administrative expenses	(884,947)	(665,958)	(995)	(830)	–	–	(885,942)	(666,788)
Total operating expenses	(15,225,141)	(14,999,700)	(1,851,548)	(2,272,029)	–	–	(17,076,689)	(17,271,729)

National Heritage Board and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 March 2019

21. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

	Heritage Institution funds		Other funds		Development fund		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Board</b>								
<b>Deficit before grants</b>	<b>(14,946,005)</b>	(14,396,787)	<b>(1,281,859)</b>	(1,383,688)	<b>3,146,988</b>	1,357,614	<b>(13,080,876)</b>	(14,422,861)
Deferred capital grants amortised	<b>2,252,656</b>	4,254,674	–	1,383,688	–	–	<b>2,252,656</b>	5,638,362
Grants received	<b>12,693,349</b>	10,142,113	<b>1,281,859</b>	–	–	–	<b>13,975,208</b>	10,142,113
<b>Net surplus</b>	–	–	–	–	<b>3,146,988</b>	1,357,614	<b>3,146,988</b>	1,357,614
Accumulated surplus at beginning of the financial year	–	–	–	–	<b>4,913,422</b>	3,555,808	<b>4,913,422</b>	3,555,808
Accumulated surplus at end of the financial year	–	–	–	–	<b>8,060,410</b>	4,913,422	<b>8,060,410</b>	4,913,422
<b>Represented by:</b>								
<b>Assets</b>								
Cash and cash equivalents	–	–	–	–	<b>8,060,410</b>	4,913,422	<b>8,060,410</b>	4,913,422
<b>Net assets</b>	–	–	–	–	<b>8,060,410</b>	4,913,422	<b>8,060,410</b>	4,913,422

Note A: In the previous financial year, the Board received a one-off grant of \$3,418,847 from MCCY specifically to match certain depreciation charges. The amount was classified as grants received under development fund within restricted funds in the statement of comprehensive income in the previous financial year. Management has clarified and reassessed that the grants should be classified under general fund instead of restricted funds as the depreciation charges are included in general fund. Accordingly, management has reclassified the amount from restricted fund to general fund.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 22. 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 from the Board of Singapore Philatelic Museum.
- (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.

	<b>ASEAN COCI Fund</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Group</b>		
<b>Income</b>		
Others	–	14,594
<b>Expenditure</b>	–	
Other services and fees		(12,210)
<b>Net surplus</b>	–	2,384
Return of fund	<b>(2,384)</b>	
Accumulated surplus at 1 April	<b>2,384</b>	–
Accumulated surplus at 31 March	–	2,384
<b>Represented by:</b>		
<b>Assets</b>		
Cash and cash equivalents	–	2,384
<b>Net assets</b>	–	2,384

**National Heritage Board and its Subsidiaries**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

**22. Net assets of trust funds (continued)**

	Singapore Philatelic Fund		ASEAN COCI Fund		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Board</b>						
<b>Income</b>						
Interest income	52,226	32,895	–	–	52,226	32,895
Gain on investment at fair value through profit or loss	–	2,713	–	–	–	2,713
Others	–	–	–	14,594	–	14,594
<b>Expenditure</b>						
Other services and fees	(38)	(58)	–	(12,210)	(38)	(12,268)
<b>Net surplus</b>	<b>52,188</b>	<b>35,550</b>	<b>–</b>	<b>2,384</b>	<b>52,188</b>	<b>37,934</b>
Return of funds	–	(352,000)	(2,384)	–	(2,384)	(352,000)
Accumulated surplus at 1 April	3,775,855	4,092,305	2,384	–	3,778,239	4,092,305
Accumulated surplus at 31 March	3,828,043	3,775,855	–	2,384	3,828,043	3,778,239
<b>Represented by:</b>						
<b>Assets</b>						
Cash and cash equivalents	3,828,043	3,775,855	–	2,384	3,828,043	3,778,239
	3,828,043	3,775,855	–	2,384	3,828,043	3,778,239
<b>Net assets</b>	<b>3,828,043</b>	<b>3,775,855</b>	<b>–</b>	<b>2,384</b>	<b>3,828,043</b>	<b>3,778,239</b>

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 23. National Heritage Fund

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

	<b>Group and Board</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
At 1 April	<b>6,671,960</b>	8,042,100
Donations received		
- Tax-deductible	<b>1,470,485</b>	909,522
- Non-tax deductible	<b>114,330</b>	59,311
	<b>1,584,815</b>	968,833
Expenditure	<b>(1,180,373)</b>	(2,338,973)
At 31 March	<b>7,076,402</b>	6,671,960
Represented by:		
Assets		
Cash and cash equivalents	<b>7,076,402</b>	6,671,960
Net assets	<b>7,076,402</b>	6,671,960

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).

#### 24. Preservation of Monuments Fund

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

	<b>Group and Board</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
At 1 April	<b>4,144,106</b>	4,024,524
Donations received		
- Tax-deductible	<b>4,440,443</b>	258,650
- Non-tax deductible	<b>32,210</b>	2,000
	<b>4,472,653</b>	260,650
Expenditure	<b>(38,203)</b>	(141,068)
At 31 March	<b>8,578,556</b>	4,144,106
Represented by:		
Assets		
Cash and cash equivalents	<b>8,578,556</b>	4,144,106
Net assets	<b>8,578,556</b>	4,144,106

## National Heritage Board and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 March 2019

#### 24. Preservation of Monuments Fund (continued)

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 (Chapter 239). Its expenditure mainly comprises restoration and repair works to national monuments, to ensure their proper preservation.

#### 25. Commitments

##### (a) Capital commitments

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

	<b>Group and Board</b>	
	<b>2019</b>	<b>2018</b>
	\$	\$
Contracted but not provided for	<b>3,298,895</b>	3,222,363
Authorised but not contracted for	<b>105,046,635</b>	80,210,579
	<b>108,345,530</b>	83,432,942

##### (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 30 June 2019 and 17 March 2022 (2018: 17 April 2018 and 17 April 2021) and the current rent payable on the leases range from \$120 to \$212,800 (2018: \$120 to \$212,800) per month and the photocopiers are under a lease of up to 5 years (2018: 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:

	<b>Group</b>		<b>Board</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$	\$
Not later than one year	<b>10,661,802</b>	8,150,757	<b>10,656,642</b>	8,145,357
Later than one year but not later than five years	<b>12,869,936</b>	10,028,049	<b>12,849,156</b>	10,014,779
	<b>23,530,737</b>	18,178,806	<b>23,505,797</b>	18,160,136

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 25. Commitments (continued)

##### (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	
	2019	2018
	\$	\$
Not later than one year	1,182,854	1,476,300
Later than one year but not later than five years	1,309,829	58,988
	<b>2,492,683</b>	<b>1,535,288</b>

#### 26. 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	
	2019	2018
	\$	\$
Grants received/receivables		
- Ministry of Culture, Community and Youth	124,614,841	102,779,843
- National Arts Council	1,177,234	1,458,103
- Singapore Totalisator Board	24,053,466	21,222,038
Rental paid/payable to Singapore Land Authority	8,024,185	7,994,956
IT charges paid/payable to Government Technology Agency	564,886	1,260,208

Outstanding balances at 31 March 2019 and 2018 are as follows:

Grants receivables		
- Ministry of Culture, Community and Youth	37,778,169	8,437,666
- Singapore Totalisator Board	23,925,466	21,222,038
- Singapore Tourism Board	-	251,421
Other payables		
- Government Technology Agency	30,384	35,280



**27. Financial risk management objectives and policies**

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

(a) **Market risk**

*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 1.44% to 1.98% (2018: 1.21% to 1.28%).

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

(b) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations.

The Group's credit risk is primarily attributable to its trade and other receivables. For other financial assets (including cash at bank), the Group minimises credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group adopts the policy of trading only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Company's historical information.

**27. Financial risk management objectives and policies (continued)**

**(b) Credit risk (continued)**

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtors
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

*Other receivables*

The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure. Except for the amount written off during the year disclosed in note 9, the Group assessed the latest performance and financial position of the other counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since initial recognition of the financial assets. Accordingly, the Group measured the impairment allowance using 12-month ECL and determine that the ECL is insignificant.

*Excessive risk concentration*

The Group's exposure to credit risk arises through its receivables. The Group's most significant debtor, the supervisory ministry, accounts for 57% (2018: 26%) of the receivables carrying amount.

## National Heritage Board and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 March 2019

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#### 27. Financial risk management objectives and policies (continued)

##### (b) *Credit risk (continued)*

*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.

##### (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.

	<b>Group</b>		<b>Board</b>	
	<b>Less than one year</b>		<b>Less than one year</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other payables	<b>30,809,889</b>	29,298,174	<b>30,229,702</b>	28,851,803

**National Heritage Board and its Subsidiaries**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

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**27. Financial risk management objectives and policies (continued)**

**(d) Financial instruments by category**

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

	<b>Group</b>		<b>Board</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	\$	\$	\$	\$
<b>Financial assets measured at amortised cost</b>				
Investments	<b>40,289,435</b>	–	<b>40,289,435</b>	–
Grants receivables	<b>61,892,201</b>	30,336,707	<b>61,892,201</b>	30,336,707
Interest receivables	<b>2,646,526</b>	295,863	<b>2,631,078</b>	283,420
Other receivables	<b>1,834,399</b>	1,482,089	<b>1,819,938</b>	1,321,717
Deposits	<b>453,653</b>	440,502	<b>451,613</b>	438,502
Cash and cash equivalents (Note 8)	<b>317,164,070</b>	360,803,701	<b>308,004,174</b>	353,059,132
<b>Total financial assets measured at amortised cost</b>	<b>424,280,284</b>	393,358,862	<b>415,088,439</b>	385,439,478
<b>Financial liabilities measured at amortised cost</b>				
Other payables, representing total financial liabilities measured at amortised cost	<b>30,809,889</b>	29,298,174	<b>30,229,702</b>	28,851,803

**National Heritage Board and its Subsidiaries**

**Notes to the financial statements  
For the financial year ended 31 March 2019**

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**28. Fair value of assets and liabilities**

*Assets and liabilities not measured at fair value, for which fair value is disclosed*

	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical assets (Level 1) \$	Significant observable inputs other than quoted prices (Level 2) \$	Significant unobservable inputs (Level 3) \$	Fair value Total \$	Carrying amount \$
<b>Group and Board 2019</b>					
<b>Assets</b>					
Investments	39,691,089	–	–	39,691,089	40,289,435
	<hr/>				
<b>2018</b>					
<b>Assets</b>					
Investments	–	–	–	–	–
	<hr/>				

*Determination of fair value*

The fair value as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

**29. Authorisation of financial statements for issue**

The financial statements for the year ended 31 March 2019 were authorised for issue by the board members at their meeting on 27 June 2019.

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