

FINANCIAL
STATEMENTS

ANNUAL REPORT 2017/2018
NATIONAL HERITAGE BOARD

OUR MANDATE

VISION

Pride in Our Past, Legacy for Our Future

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

MISSION

To Preserve and Celebrate Our Shared Heritage

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

VALUES

Excellence

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

Passion

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

Integrity

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

Creativity

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

CONTENTS

02	Corporate Information
06	Organisational Structure
07	Corporate Governance
09	Statements by Board Members
10	Independent Auditor's Report
14	Statement of Comprehensive Income
16	Balance Sheet
17	Statement of Changes in Capital and Reserves
18	Consolidated Statement of Cash Flows
19	Notes to Financial Statements

CORPORATE INFORMATION

NATIONAL HERITAGE BOARD

Mr Ong Yew Huat
Chairman
National Heritage Board

Ms Chang Hwee Nee
Chief Executive Officer
National Heritage Board

Ms Kelvyna Chan
Director, Curriculum & Planning
Development 2
Ministry of Education

Mr Warren Fernandez
Editor, The Straits Times
Singapore Press Holdings

Mr Vincent Hoong
Registrar
Supreme Court of Singapore

Professor Lily Kong
Provost, Singapore
Management University

Mr Patrick Lee
Executive Chairman
Sing Lun Holdings Ltd

Mr Daryl Ng
Deputy Chairman
Sino Group

Mrs Quek Bin Hwee
Former Vice-Chairman
Markets and Industries
PricewaterhouseCoopers LLP

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 Abdul Rahman
Architect, Zahidi A.R. Arkitek

ASIAN CIVILISATIONS MUSEUM ADVISORY BOARD

Mr Loh Lik Peng
Chairman
Managing Director
Unlisted Collection Hotels & Resorts

Mr Arrif Ziaudeen
Founder and CEO
The Chope Group Pte Ltd

Mr Hideki Akiyoshi
Managing Director and CEO
WonderAsia Pte Ltd

Mr Kwek Eik Sheng
Group Chief Strategy Officer
City Developments Limited

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

Ms Lauren Khoo
Designer/Creative Director
Lauren X Khoo

Ms Maniza Jumabhoy

Dr Melanie Chew
Managing Director
Resource Pacific Holdings

Mr Paul Ma
Non-Executive Chairman and
Director
Mapletree Greater China
Commercial Trust

Ms Rachel Teo
Director
Daniel Teo & Associates Pte Ltd

Ms Tan Siok Sun
Author; Chair
Wild Rice

Mr Timothy Chia
Chairman
Hup Soon Global Corporation Ltd

Mr Whang Shang Ying
Executive Director
Lam Soon Singapore Pte Ltd

NATIONAL MUSEUM OF SINGAPORE ADVISORY BOARD

Mr Keith Chua
Chairman
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
Chairman
Bernard Quaritch Ltd

BG Kenneth Liow Meng Kwee
Commander of Army Training
and Doctrine Command,
Ministry of Defence

Dr Kenneth Paul Tan
Associate Professor
Lee Kuan Yew School of
Public Policy
National University of Singapore

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

Ms Wendy Ang
Director
National Archives of Singapore

PRESERVATION OF SITES AND MONUMENTS ADVISORY BOARD

Mr Tan Kok Hiang
Chairman
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 Pte Ltd

Dr Chang Jiat Hwee
Assistant Professor
Department of Architecture
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
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
Chief Executive Officer
Singapore Land Authority

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

Mr Wong Mun Summ
Joint Founding Director
WOHA Architects Pte Ltd

INDIAN HERITAGE CENTRE ADVISORY BOARD

Ambassador Gopinath Pillai
Chairman
Ambassador-At-Large;
Executive Chairman
Savant Infocomm Pte Ltd;
Chairman
Institute of South Asian Studies,
Singapore

Mr Dilbagh Singh
Retired Educator

Mr Haji Naseer bin Ghani
President
Singapore Kadayannallur
Muslim League

Dr Ma Swan Hoo
General Practitioner/Family Doctor
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

MALAY HERITAGE FOUNDATION BOARD OF DIRECTORS

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

Dr Norshahril Saat
Deputy Chairman
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 (AVA)

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
Manager
Finance Department
Jamiyah Singapore

SUN YAT SEN NANYANG MEMORIAL HALL BOARD OF DIRECTORS

Mr Wu Hsioh Kwang
Chairman
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
Chairman
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 for
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
Director, Asian Civilisation Museum;
Group Director, Museums
National Heritage Board
[*NHB's ex-officio representative
on the SPM Board]

MALAY LANGUAGE COUNCIL, SINGAPORE

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

Assoc Prof Hadijah Rahmat
Deputy Chairperson
Deputy Head of the Asian
Languages and Culture Academic
Group and Head of the Malay
Language and Culture Division
National Institute of Education
Nanyang Technological University

Mr Tajudin Jaffar
Secretary
Head, Malay Language
Malay Language Unit
Ministry of Education

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

Mr Abdul Harris Sumardi
Vice President
Malay Language Teachers
Association (PGBM)

Ms Aidli Mosbit
Section Head
[Student Development]
Student Development &
Alumni Affairs
Temasek Polytechnic

Mr Asri Sunawan
Head, Strategic Communications
Strategic Unit
Islamic Religious Council of
Singapore (MUIS)

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

Mr Farizan Md Amin
School Staff Developer
Townsville Primary School

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 2014 to 31 July 2017

Renewed Effective Period:
1 August 2017 to 31 July 2020

Preservation of Monuments Fund
UEN No.: T03CC1669C

Charity & IPC
Establishment Date:
21 March 2003

Effective Period:
1 January 2016 to
31 December 2017

CORPORATE INFORMATION

Mr Hassan Salleh
Vice President, Programming,
Malay Broadcast Division
WARNA 94.2FM & RIA 89.7FM
MediaCorp

Mr Ibrahim Hassan
Executive Editor
Malay News & Current Affairs
MediaCorp
Dr Intan Azura Binte Mokhtar
Member of Parliament
Ang Mo Kio GRC

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

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

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

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

Ms Rahayu Mahzam
Member of Parliament
Jurong GRC

Mr Sujimy Mohamad
Managing Director
Screenbox Pte Ltd

Mr Zaqy Mohamad
Member of Parliament
Chua Chu Kang GRC

PROMOTE MANDARIN COUNCIL

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

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

Mr Alvin Pang
Poet, Columnist, Book Editor
Director, The Literary Centre

Mr Charles Ho Nai Chuen
Vice-President Singapore Chinese
Chamber of Commerce & Industry;
Managing Director On Cheong
Jewellery

Ms Chew Lee Ching
Managing Director
Mandate Communications (S)
Pte Ltd

Mr Chew Wee Kai
Chairman
Hua Language Centre

Ms Fanny Lai
Writer / Illustrator

Prof Lee Cher Leng
Deputy Head
Department of Chinese Studies
Faculty of Arts and Social Sciences
National University of Singapore

Ms Lee Kuan Fung

Mr Leong Weng Kam
Senior Writer
Straits Times

Ms Loh Gek Khim
Director Skills
Development Group
Skills Future Singapore

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

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

Mr Ng Siew Quan
Partner
PricewaterhouseCoopers LLP

Mr Pang Choon How
Principal
Hwa Chong Institution

Ms Rebecca Yap
Vice President
Family Segment (Chinese)
MediaCorp

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

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

SPEAK GOOD ENGLISH MOVEMENT STEERING COMMITTEE

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

Ms Judith d'Silva
Deputy Chairperson
Director (Plans and Content Group)
NEXUS

Ms Catherine Lau
Assistant Chief Executive
National Library Board

Mrs Greta Georges
Creative Director
Cloudy South Group

Mr Jeff Cheong
President
Tribal Worldwide Asia-Pacific

Mr Jeffrey Low
Principal
English Language Institute of
Singapore

Assoc Prof Ludwig Tan
Vice-Dean
Singapore University of Social
Sciences

Ms Melissa Low
Research Associate
Energy Studies Institute

Mr Yeow Kai Chai
Director
Singapore Writers Festival
National Arts Council

TAMIL LANGUAGE COUNCIL

Mr K Muralidharan Pillai
Advisor
Member of Parliament, Bukit Batok;
Partner, Rajah & Tann

Mr VP Jothi
Honorary Chairman
Vice-Chairman
Mini Environment Service Pte Ltd

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

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

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

Mr J Manikavachagam
Treasurer
Managing Director
Sri Vinayaka Exports Pte Ltd

Mr Anbarasu Rajendran
Secretary
Deputy Chief Executive Officer
Singapore Indian Development
Association

Ms Vijayalakshmi Jagadeesh
Deputy Secretary
Managing Director
JVKM Group of Companies

Mr A Palaniappan
Head Specialist
Languages - English/Tamil
Language Services Department
Singapore Parliament

Mr Hari Krishnan s/o Muthusamy
President
Tamil Language & Cultural Society

Mr Irshath Mohamed
Marketing Manager
Sangam Textiles Pte Ltd

Ms Jayasutha Samuthiran
Senior Officer
Global Innovation (Scotch)
Diageo

Mr K Ramamoorthy
Chairman
People's Association
Narpani Pearavei

Mr Karthik Ramasamy
Manager (Strategy & Policy)
Ministry of Communications &
Information

Mr M Thilagaraja
Programming Director
Indian Broadcast Division
MediaCorp

Ms Pushpalatha Devi Naidu
Assistant Manager (Engagement)
National Library Board

Mr Raj Kumar Chandra
Chairman
Little India Shopkeepers and
Heritage Association

Mr S Nalluraj
Secretary
Singapore Tamil Teachers Union

Mrs T Darshini
Teacher
National Junior College

Mr T Venugobal
Head
Tamil Language Unit, Curriculum
Planning and Development Division
Ministry of Education;
Secretary
Tamil Language Learning and
Promotion Committee

Mr V Pandiyan
Assistant Director
Community Justice &
Tribunals Division
State Courts;
President
Tamils Representative Council

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
Vice Provost (Graduate Education)
National University of Singapore

Prof Lily Kong
Provost
Singapore Management University

HERITAGE RESEARCH PANEL

Prof Brenda Yeoh
Chair
Vice Provost (Graduate Education)
National University of Singapore

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

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

Mr Seah Chee Huang
Director
DP Architects

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

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

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

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

Ms Wendy Ang
Director
National Archives of Singapore

Dr Yeo Kang Shua
Assistant Professor
Department of Architecture and
Sustainable Design
Singapore University of Technology
and Design (SUTD)

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

HERITAGE GRANTS EXTERNAL ASSESSMENT PANEL

Dr Chua Ai Lin
Vice President
Singapore Heritage Society

Mr K Ramamoorthy
Senior Lecturer
Republic Polytechnic;
Chair, Indian Activity
Executive Committees Council
(Narpani Pearavai)
People's Association

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

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

Mr Raja Segar
Chief Executive Officer
Hindu Endowments Board

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

Ms Susan Long
General Manager
Straits Times Press

Mr Wan Shung Ming
Chairman,
External Relations Committee
Singapore Chinese Chamber
of Commerce and Industry;
Executive Director,
Tin Sing Goldsmiths Pte Ltd

NATIONAL COLLECTION ADVISORY PANEL

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

Prof Brenda Yeoh
Vice Provost (Graduate Education)
National University of Singapore

Assoc Prof Goh Beng Lan
Department of
Southeast Asian Studies
National University of Singapore

Dr Jack Lee
Deputy Research Director
Singapore Academy of Law

Dr John Solomon
Assistant Professor
Department of History
National University of Singapore

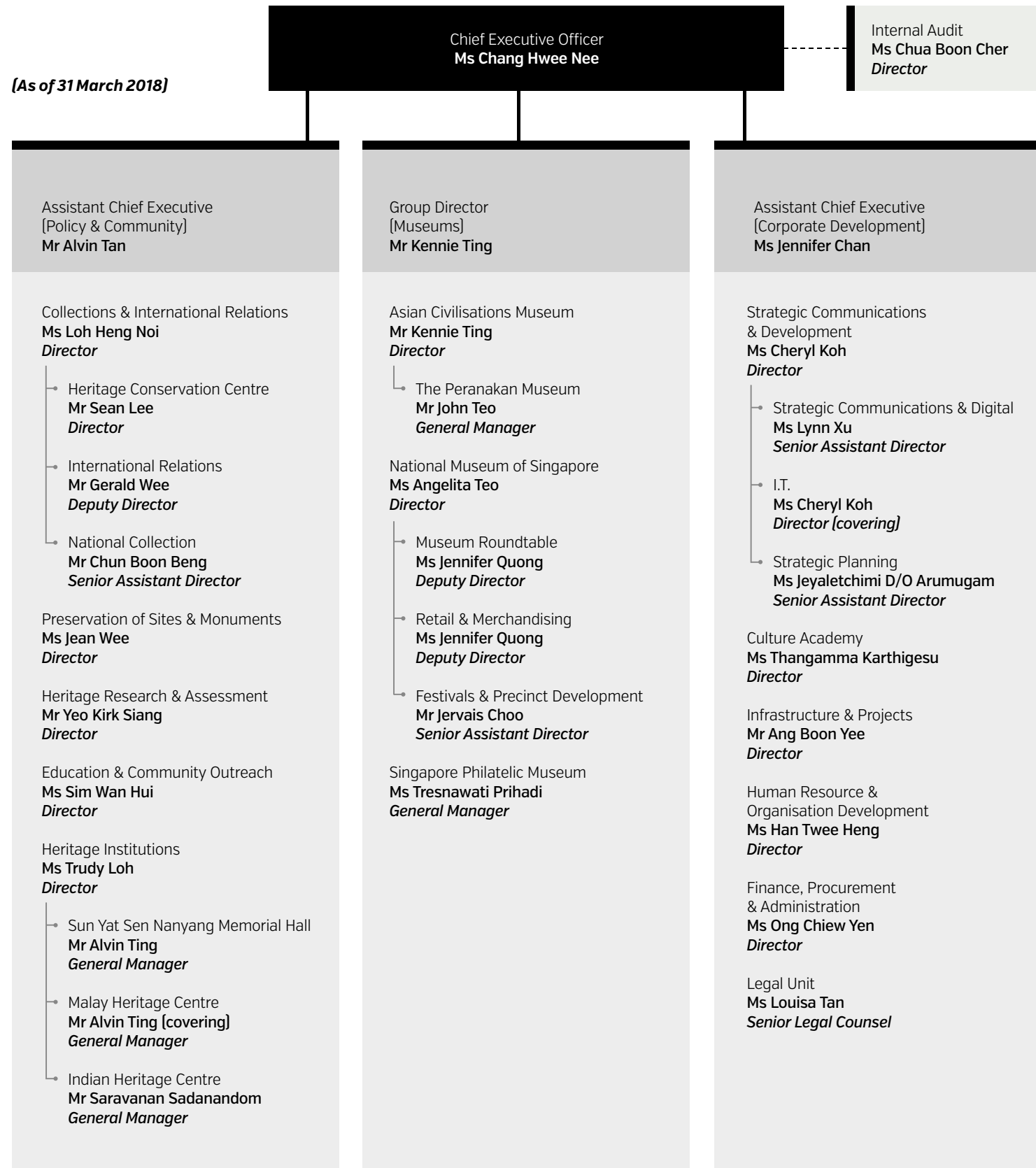
Mr Kwa Chong Guan
Senior Fellow
S. Rajaratnam School of
International Studies
Nanyang Technological University

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

Mr Milenko Prvacki
Senior Fellow
LASALLE College of the Arts

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

ORGANISATIONAL STRUCTURE



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

Mr Ong Yew Huat (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)

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

Mr Ong Yew Huat (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)

CORPORATE GOVERNANCE

LEGAL

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

INTERNAL AUDIT

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

FINANCIAL MANAGEMENT AND CONTROL

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

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

MANAGEMENT OF THE NATIONAL COLLECTION

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

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

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

CONFLICT OF INTEREST POLICY

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

STATEMENT BY BOARD MEMBERS

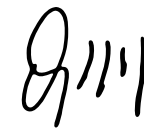
For the financial year ended 31 March 2018

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 66 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 2018 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] (the "Act"), Singapore Charities Act [Chapter 37] and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ["SB-FRS"];
- (b) proper accounting and other records have been kept, including records of all assets of the Board and of the subsidiaries incorporated in Singapore of which we are auditors whether purchased, donated or otherwise.
- (c) the receipt, expenditure and investment of moneys and the acquisition and disposal of assets by the Group during the financial year have been in accordance with the provisions of the Act;
- (d) the use of the donation moneys is in accordance with the objectives of the National Heritage Fund and Preservation of Monuments Fund of the Board as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (e) the National Heritage Fund and Preservation of Monuments Fund of the Board have complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- (f) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

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

On behalf of the Board



Ong Yew Huat
Chairman



Chang Hwee Nee
Chief Executive Officer

27 June 2018

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

For the financial year ended 31 March 2018

Report on the Financial Statements

Our 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 2018, 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 are properly drawn up in accordance with the provisions of the National Heritage Board Act, Chapter 196A, (the "Act"), Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS"), so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2018 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 Matter

The financial statements of the Group and the Board for the year ended 31 March 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 29 July 2017.

Other Information

Management is responsible for the other information. The other information comprises 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

For the financial year ended 31 March 2018

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 Act, Singapore Charities Act (Chapter 37) and SB-FRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

For the financial year ended 31 March 2018

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 Act.
- [b] proper accounting and other records have been kept, including records of all assets of the Board and of the subsidiary incorporated in Singapore of which we are the auditors whether purchased, donated or otherwise.

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

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

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

For the financial year ended 31 March 2018

Basis for Opinion

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

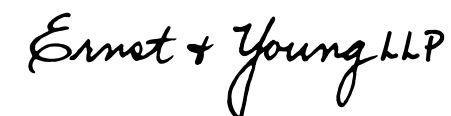
Responsibilities of Management for Compliance with Legal and Regulatory Requirements

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

Auditor's Responsibility for the Compliance Audit

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

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



Ernst & Young LLP

Public Accountants and Chartered Accountants
Singapore, 27 June 2018

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

Group	Note	General fund		Restricted funds		Total	
		2018	2017	2018	2017	2018	2017
			(restated)		(restated)		(restated)
		\$	\$	\$	\$	\$	\$
Income							
Contributions and cash donations		455,824	369,815	1,285,352	4,839,952	1,741,176	5,209,767
Donations-in-kind		6,263,918	2,253,985	-	-	6,263,918	2,253,985
Purchase of property, plant and equipment/heritage materials using cash donations		762,080	885,135	-	-	762,080	885,135
Admission fees		3,335,500	2,391,120	129,719	104,200	3,465,219	2,495,320
Rental income		2,740,536	2,145,099	18,890	14,646	2,759,426	2,159,745
Interest income		1,742,130	1,529,449	1,357,614	2,270,322	3,099,744	3,799,771
Workshops/Seminars		333,524	457,218	2,968	528	336,492	457,746
Consultancy/Project management		169,756	42,065	-	-	169,756	42,065
Commission/Royalties/Consignment		134,741	160,826	13,308	3,364	148,049	164,190
Sales at Singapore Philatelic Museum		47,785	35,645	-	-	47,785	35,645
Others		783,024	727,143	41,017	187,008	824,041	914,151
		16,768,818	10,997,500	2,848,868	7,420,020	19,617,686	18,417,520
Other gains							
Fair value gains – Financial assets at fair value through profit or loss		43,412	571,295	-	-	43,412	571,295
Gain on disposal of property, plant and equipment		830	350	-	-	830	350
		44,242	571,645	-	-	44,242	571,645
Operating expenditure							
Employee benefits expense	4	(35,738,006)	(33,938,493)	(3,248,890)	(3,719,985)	(38,986,896)	(37,658,478)
Amortisation of prepaid leases	13	(106,250)	(106,250)	-	-	(106,250)	(106,250)
Depreciation of property, plant and equipment	14	(9,438,179)	(9,161,345)	(5,638,362)	(5,624,797)	(15,076,541)	(14,786,142)
Rental of premises/equipment		(9,922,179)	(9,755,911)	(581,864)	(554,974)	(10,504,043)	(10,310,885)
Maintenance and other property expenses		(14,265,822)	(16,813,210)	(2,466,035)	(5,828,809)	(16,731,857)	(22,642,019)
Exhibition expenses		(4,860,755)	(6,550,405)	(1,209,717)	(1,764,007)	(6,070,472)	(8,314,412)
Other services and fees		(8,182,226)	(9,580,764)	(1,443,609)	(1,036,846)	(9,625,835)	(10,617,610)
Outreach, publicity and public relations		(14,728,763)	(14,490,962)	(1,952,579)	(1,913,804)	(16,681,342)	(16,404,766)
Staff welfare and development		(1,453,816)	(1,544,143)	(63,885)	(73,680)	(1,517,701)	(1,617,823)
General and administrative expenses		(4,197,571)	(4,097,732)	(666,788)	(679,221)	(4,864,359)	(4,776,953)
Property, plant and equipment written off		-	(26,602)	-	-	-	(26,602)
Grant expenses		(1,741,257)	(1,671,824)	-	-	(1,741,257)	(1,671,824)
Board members' allowances	5	(202,294)	(212,659)	-	-	(202,294)	(212,659)
Total operating expenditure		(104,837,118)	(107,950,300)	(17,271,729)	(21,196,123)	(122,108,847)	(129,146,423)
Deficit before grants		(88,024,058)	(96,381,155)	(14,422,861)	(13,776,103)	(102,446,919)	(110,157,258)
Grants							
Deferred capital grants amortised	19	2,216,808	2,142,893	5,638,362	5,624,797	7,855,170	7,767,690
Grants received	17	91,974,054	96,978,908	13,560,960	10,421,628	105,535,014	107,400,536
		94,190,862	99,121,801	19,199,322	16,046,425	113,390,184	115,168,226
Surplus before income tax		6,166,804	2,740,646	4,776,461	2,270,322	10,943,265	5,010,968
Income tax expense	6	-	-	-	-	-	-
Net surplus	7	6,166,804	2,740,646	4,776,461	2,270,322	10,943,265	5,010,968
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Acquisition of heritage materials using government grants	21	2,738,450	2,940,034	-	-	2,738,450	2,940,034
Total comprehensive income	7	8,905,254	5,680,680	4,776,461	2,270,322	13,681,715	7,951,002
Adjusted net surplus	7	524,494	967,905	4,776,461	2,270,322	5,300,955	3,238,227

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

Board	Note	General fund		Restricted funds		Total	
		2018	2017	2018	2017	2018	2017
			(restated)		(restated)		(restated)
		\$	\$	\$	\$	\$	\$
Income							
Contributions and cash donations		103,931	24,082	1,285,352	4,839,952	1,389,283	4,864,034
Donations-in-kind		6,263,918	2,253,985	-	-	6,263,918	2,253,985
Purchase of property, plant and equipment/heritage materials using cash donations		762,080	885,135	-	-	762,080	885,135
Admission fees		3,289,102	2,346,154	129,719	104,200	3,418,821	2,450,354
Rental income		2,740,536	2,145,099	18,890	14,646	2,759,426	2,159,745
Interest income		1,659,896	1,432,089	1,357,614	2,270,322	3,017,510	3,702,411
Workshops/Seminars		123,028	298,341	2,968	528	125,996	298,869
Consultancy/Project management		40,466	42,065	-	-	40,466	42,065
Commission/Royalties/Consignment		103,602	121,703	13,308	3,364	116,910	125,067
Others		722,523	672,412	41,017	187,008	763,540	859,420
		15,809,082	10,221,065	2,848,868	7,420,020	18,657,950	17,641,085
Other gains							
Fair value gains – Financial assets at fair value through profit or loss		40,698	535,589	-	-	40,698	535,589
Gain on disposal of property, plant and equipment		830	-	-	-	830	-
		41,528	535,589	-	-	41,528	535,589
Operating expenditure							
Employee benefits expense	4	(34,331,130)	(32,617,513)	(3,248,890)	(3,719,985)	(37,580,020)	(36,337,498)
Amortisation charge for prepaid lease	13	(106,250)	(106,250)	-	-	(106,250)	(106,250)
Depreciation of property, plant and equipment	14	(9,415,107)	(9,138,269)	(5,638,362)	(5,624,797)	(15,053,469)	(14,763,066)
Rental of premises/equipment		(9,917,004)	(9,750,511)	(581,864)	(554,974)	(10,498,868)	(10,305,485)
Maintenance and other property expenses		(14,151,653)	(16,699,544)	(2,466,035)	(5,828,809)	(16,617,688)	(22,528,353)
Exhibition expenses		(4,198,300)	(6,202,329)	(1,209,717)	(1,764,007)	(5,408,017)	(7,966,336)
Other services and fees		(8,156,690)	(9,557,109)	(1,443,609)	(1,036,846)	(9,600,299)	(10,593,955)
Outreach, publicity and public relations		(15,358,921)	(15,195,291)	(1,952,579)	(1,913,804)	(17,311,500)	(17,109,095)
Staff welfare and development		(1,418,601)	(1,504,281)	(63,885)	(73,680)	(1,482,486)	(1,577,961)
General and administrative expenses		(4,178,053)	(4,072,310)	(666,788)	(679,221)	(4,844,841)	(4,751,531)
Property, plant and equipment written off		-	(26,602)	-	-	-	(26,602)
Grant expenses		(1,741,257)	(1,671,824)	-	-	(1,741,257)	(1,671,824)
Board members' allowances	5	(202,294)	(212,659)	-	-	(202,294)	(212,659)
Total operating expenditure		(103,175,260)	(106,754,492)	(17,271,729)	(21,196,123)	(120,446,989)	(127,950,615)
Deficit before grants		(87,324,650)	(95,997,838)	(14,422,861)	(13,776,103)	(101,747,511)	(109,773,941)
Grants							
Deferred capital grants amortised	19	2,194,128	2,120,213	5,638,362	5,624,797	7,832,490	7,745,010
Grants received	17	91,956,845	97,001,671	13,560,960	10,421,628	105,517,805	107,423,299
		94,150,973	99,121,884	19,199,322	16,046,425	113,350,295	115,168,309
Surplus before income tax		6,826,323	3,124,046	4,776,461	2,270,322	11,602,784	5,394,368
Income tax expense	6	-	-	-	-	-	-
Net surplus	7	6,826,323	3,124,046	4,776,461	2,270,322	11,602,784	5,394,368
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Acquisition of heritage materials using government grants	21	2,738,450	2,940,034	-	-	2,738,450	2,940,034
Total comprehensive income	7	9,564,773	6,064,080	4,776,461	2,270,322	14,341,234	8,334,402
Adjusted net surplus	7	1,184,013	1,351,305	4,776,461	2,270,322	5,960,474	3,621,627

BALANCE SHEET

For the financial year ended 31 March 2018

	Note	Group		Board	
		2018	2017	2018	2017
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	8	360,803,701	262,207,359	353,059,132	255,996,548
Financial assets at fair value through profit or loss	9	-	31,218,649	-	29,267,483
Derivative financial instruments	10	-	268,669	-	251,878
Other receivables, deposits and prepayments	11	32,687,283	56,831,590	32,504,242	56,794,238
Inventories		127,383	117,530	-	-
		393,618,367	350,643,797	385,563,374	342,310,147
Non-current assets					
Subsidiaries	12	-	-	2	2
Prepaid leases	13	548,958	655,208	548,958	655,208
Property, plant and equipment	14	83,276,664	93,072,452	83,242,274	93,018,722
Heritage materials	15	492,654,808	476,862,182	491,346,547	475,553,921
Philatelic materials		2,534	2,534	-	-
		576,482,964	570,592,376	575,137,781	569,227,853
Total assets		970,101,331	921,236,173	960,701,155	911,538,000
EQUITY AND LIABILITIES					
Current liabilities					
Derivative financial instruments	10	-	46,279	-	43,387
Other payables	16	29,298,174	29,903,637	28,851,803	29,515,208
Grants received in advance	17	104,356,855	106,180,119	102,983,950	105,136,366
Deferred donations	18	7,702,940	8,404,820	7,702,940	8,404,820
		141,357,969	144,534,855	139,538,693	143,099,781
Net current assets		252,260,398	206,108,942	246,024,681	199,210,366
Non-current liability					
Deferred capital grants	19	43,090,865	49,767,126	43,059,399	49,712,980
		43,090,865	49,767,126	43,059,399	49,712,980
Total liabilities		184,448,834	194,301,981	182,598,092	192,812,761
Net assets		785,652,497	726,934,192	778,103,063	718,725,239
Capital and reserves					
Capital account	20	367,419,181	322,382,591	367,419,181	322,382,591
Heritage capital reserve	21	372,517,800	170,986,027	369,247,527	167,715,754
Accumulated surplus					
- General fund - others		28,377,528	27,853,034	24,832,682	23,648,669
- General fund - donated heritage materials and property, plant and equipment		8,582,319	201,733,332	8,271,404	201,422,417
- Restricted funds	22	8,755,669	3,979,208	8,332,269	3,555,808
		785,652,497	726,934,192	778,103,063	718,725,239
Net assets of trust funds	23	2,384	-	3,778,239	4,092,305

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

For the financial year ended 31 March 2018

Group	Note	Capital account	Accumulated surplus				Total
			Heritage capital reserve	General fund - others	General fund - donated heritage materials and property, plant and equipment	Restricted Fund (Note 22)	
		\$	\$	\$	\$	\$	\$
2018							
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 for the financial year		-	2,738,450	524,494	5,642,310	4,776,461	13,681,715
Issuance of share capital	20	45,036,590	-	-	-	-	45,036,590
Transfer to heritage capital reserve	21	-	198,793,323	-	[198,793,323]	-	-
At 31 March 2018		367,419,181	372,517,800	28,377,528	8,582,319*	8,755,669	785,652,497
2017							
At 1 April 2016		296,080,409	168,045,993	26,885,129	199,960,591	1,708,886	692,681,008
Total comprehensive income		-	2,940,034	967,905	1,772,741	2,270,322	7,951,002
Issuance of share capital	20	26,302,182	-	-	-	-	26,302,182
At 31 March 2017		322,382,591	170,986,027	27,853,034	201,733,332	3,979,208	726,934,192
* As at 31 March 2018, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.							
Board							
2018							
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		-	2,738,450	1,184,013	5,642,310	4,776,461	14,341,234
Issuance of share capital	20	45,036,590	-	-	-	-	45,036,590
Transfer to heritage capital reserve	21	-	198,793,323	-	[198,793,323]	-	-
At 31 March 2018		367,419,181	369,247,527	24,832,682	8,271,404*	8,332,269	778,103,063
2017							
At 1 April 2016		296,080,409	164,775,720	22,297,364	199,649,676	1,285,486	684,088,655
Total comprehensive income		-	2,940,034	1,351,305	1,772,741	2,270,322	8,334,402
Issuance of share capital	20	26,302,182	-	-	-	-	26,302,182
At 31 March 2017		322,382,591	167,715,754	23,648,669	201,422,417	3,555,808	718,725,239
* As at 31 March 2018, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.							

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	Note	2018 \$	2017 \$
Operating activities			
Deficit before grants		(102,446,919)	(110,157,258)
Adjustments for:			
- Fair value losses/(gains) on financial assets at fair value through profit or loss		(43,412)	(571,295)
- Depreciation of property, plant and equipment	14	15,076,541	14,786,142
- Contributions and cash donations		(1,741,176)	(5,209,767)
- Donations-in-kind		(6,263,918)	(2,253,985)
- Purchase of property, plant and equipment/heritage materials using cash donations		(762,080)	(885,135)
- Interest income		(3,099,744)	(3,799,771)
- Gain on disposal of property, plant and equipment		(830)	(350)
- Property, plant and equipment written off		-	26,602
- Amortisation of prepaid leases	13	106,250	106,250
Operating cash flow before changes in working capital		(99,175,288)	(107,958,567)
Change in working capital			
- Inventories		(9,853)	(9,188)
- Other receivables, deposits and prepayments		22,335,541	(29,395,648)
- Other payables		(605,463)	(5,553,911)
Net cash flows used in operating activities		(77,455,063)	(142,917,314)
investing activities			
Acquisition of heritage materials		(9,528,708)	(10,907,818)
Acquisition of property, plant and equipment	14	(5,280,753)	(12,296,234)
Interest received		4,908,510	3,005,887
Proceeds from investments by fund managers		31,484,451	835,948
Proceeds from disposal of property, plant and equipment		830	350
Net cash flow from/(used in) investing activities		21,584,330	(19,361,867)
Financing activities			
Issuance of share capital	20	45,036,590	26,302,182
Grants received	17	107,629,109	118,566,930
Donations received	18	1,801,376	2,917,434
Donations refunded		-	(65,980)
Net cash flow from financing activities		154,467,075	147,720,566
Net increase/(decrease) in cash and cash equivalents		98,596,342	(14,558,615)
Cash and cash equivalents at beginning of financial year		262,207,359	276,765,974
Cash and cash equivalents at end of financial year	8	360,803,701	262,207,359

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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

1. General information

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

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

The principal activities of the Board are:

- (a) to explore and present the heritage and nationhood of the people of Singapore in the context of their ancestral cultures, their links with South-East Asia, Asia and the World through the collection, preservation and display of objects and records;
- (b) to promote public awareness, appreciation and understanding of the arts, culture and heritage, both by means of the Board's collections and by such other means as it considers appropriate;
- (c) to promote the establishment and development of organisations concerned with the national heritage of Singapore; and
- (d) to advise the Government in respect of matters relating to the national heritage of Singapore.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 Changes in accounting policies

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 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Board.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 109 <i>Financial Instruments</i>	1 January 2018
SB-FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
SB-FRS 1001 <i>Accounting and Disclosure for Non-Exchange Revenue</i>	1 January 2018
INT SB-FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
SB-FRS 116 <i>Leases</i>	1 January 2019

Except for SB-FRS 115, SB-FRS 1001 and 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 115, SB-FRS 1001 and SB-FRS 116 are described below:

SB-FRS 115 Revenue from Contracts with Customers

SB-FRS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under SB-FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customers.

The Group's revenue mainly includes admission fees, rental income and income from rendering of services. The Group has performed a preliminary assessment of adopting SB-FRS 115 based on currently available information. Based on management's preliminary assessment, management does not expect the adoption of SB-FRS 115 to have a material impact on the financial statements.

SB-FRS 1001 Accounting and Disclosure for Non-Exchange Revenue

SB-FRS 1001 specifies the financial reporting requirement for recognition, measurement and disclosure of non-exchange revenue received by Statutory Boards ["SB"]. Revenue is recognised when the SB obtains control of the resources or has an enforceable claims to the resources and shall initially be measured at its fair value at the date of acquisition. SBs are required to disclose sufficient information to enable users of financials statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from non-exchange revenue. Some examples of non-exchange revenue are taxes, levies, fines, penalties and donations.

Based on management's preliminary assessment, management does not expect the adoption of SB-FRS 1001 to have a significant impact on the net surplus in the Statement of Comprehensive Income. This assessment may be subject to changes arising from ongoing analysis until the Group adopts SB-FRS 1001 in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

SB-FRS 116 Leases

SB-FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of SB-FRS 116 and expects that the adoption of SB-FRS 116 will result in increase in total assets and total liabilities.

The Group plans to adopt the new standard on the required effective date by applying SB-FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to SB-FRS 116 and assessing the possible impact of adoption.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

(i) Admission fees

Admission fees are recognised as income upon the usage of admission tickets.

(ii) Rental income

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

(iii) Income from rendering of services

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

(iv) Contributions and other sponsorships

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

(v) Interest income

Interest income is recognised using the effective interest method.

(vi) Donations

Donations, whether of cash or assets, are recognised as income in the period they are received or receivable when the Group has obtained control of the donation or the right to receive the donation, the amount of the donation can be measured reliably and it is probable that the economic benefits comprising the donation will flow to the Group. Donated assets are recognised at values determined by internal or external valuations at the time of receipt of the assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.6 Revenue recognition (continued)

(vi) Donations (continued)

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.

2.9 Operating lease payments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

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 (vi).

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

Previously, donated heritage materials and cash donations utilised to purchase heritage materials were recognised in "general fund – donated heritage materials and property, plant and equipment" in the Statement of Changes in Capital and Reserves.

In the current financial year, for consistency, management made a decision that donated heritage materials and cash donations utilised to purchase heritage materials previously recognised in "general fund – donated heritage materials and property, plant and equipment" will be reclassified to heritage capital reserve in the Statement of Changes in Capital and Reserves. The impact is disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 Loans and receivables

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

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

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

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

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

2.17 Financial assets at fair value through profit or loss

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.17 Financial assets at fair value through profit or loss (continued)

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

2.18 Derivative financial instruments

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

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

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

2.19 Other payables

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

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

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.21 Fair value estimation of financial assets and liabilities

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

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

2.22 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.

2.23 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.

2.24 Funds

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

(i) General Fund

Income and expenditure relating to the main activities of the Group and the Board are accounted for in the "General Fund" column of the Statement of Comprehensive Income.

(ii) Restricted Funds

Income and expenditure relating to funds received for specific purposes and for which separate disclosure is necessary as these funds are material and there are legal and other restrictions on the ability of the Group and the Board to distribute or otherwise apply these funds, are accounted for in the "Restricted Funds" column in the Statement of Comprehensive Income and disclosed separately in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

2. Significant accounting policies (continued)

2.25 Net assets of trust funds

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

The assets and liabilities of these funds held in trust are presented as a line item at the bottom of the balance sheet with additional disclosures in the notes to the financial statements as prescribed by SB-FRS Guidance Note 3. The income and expenditure items relating to these funds are accounted for directly in these funds. Details of the income, expenditure and assets of the trust funds are disclosed in Note 23.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

4. Employee benefits expense

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Wages and salaries	34,178,098	32,149,272	32,924,060	30,974,892
Employer's contribution to Central Provident Fund	4,805,016	5,509,206	4,652,178	5,362,606
Other benefits	3,782	-	3,782	-
	38,986,896	37,658,478	37,580,020	36,337,498

Key management personnel compensation is as follows:

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Wages and salaries	4,961,531	4,197,060	4,405,926	3,697,898
Employer's contribution to Central Provident Fund	384,035	361,251	341,892	325,021
	5,345,566	4,558,311	4,747,818	4,022,919

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.

5. Board members' allowances

Position	Group and Board			
	2018		2017	
	2018	2018	2017	2017
	\$	\$	\$	\$
	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	-	11,250	-
Members	5,625	2,813	5,625	2,813

The National Heritage Board (referred to as "Main Board") has three (2017: three) Sub-boards, namely Asian Civilisations Museum Board, National Museum of Singapore Board and Preservation of Monuments Board (referred to as "Sub-boards") (2017: Asian Civilisations Museum Board, National Museum of Singapore Board and Preservation of Monuments Board).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

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 filing income tax returns.

7. Adjusted net surplus

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

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Net surplus for the year	10,943,265	5,010,968	11,602,784	5,394,368
(Less)/Add:				
Income relating to development fund	(4,776,461)	[2,270,322]	(4,776,461)	[2,270,322]
Heritage materials				
- Donations-in-kind	(6,263,918)	[2,253,985]	(6,263,918)	[2,253,985]
- Funded by cash donations	(345,037)	[721,333]	(345,037)	[721,333]
	(6,608,955)	[2,975,318]	(6,608,955)	[2,975,318]
Property, plant and equipment funded by cash donations				
- Additions	(417,043)	[163,802]	(417,043)	[163,802]
- Depreciation charged for the year	1,383,688	1,366,379	1,383,688	1,366,379
	966,645	1,202,577	966,645	1,202,577
	524,494	967,905	1,184,013	1,351,305

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

8. Cash and cash equivalents

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash and bank balances	12,433,068	11,683,056	12,139,127	11,538,719
Cash held by fund manager	-	1,436,782	-	1,346,983
Cash managed by AGD through Centralised Liquidity Management	294,251,651	116,132,051	294,177,792	116,116,964
Fixed deposits	54,118,982	132,955,470	46,742,213	126,993,882
	360,803,701	262,207,359	353,059,132	255,996,548

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 1.3% [2017: 1.7%] and 1.3% [2017: 1.7%] per annum respectively. The fixed deposits mature at varying periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

9. Financial assets at fair value through profit or loss

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets at fair value through profit or loss				
- Quoted equity securities	-	6,677,339	-	6,260,005
- Quoted bonds	-	15,557,306	-	14,584,974
- Quoted money market instruments	-	8,984,004	-	8,422,504
	-	31,218,649	-	29,267,483

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

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Quoted equity securities [per above]	-	6,677,339	-	6,260,005
Quoted bonds [per above]	-	15,557,306	-	14,584,974
Quoted Money Market Instruments [per above]	-	8,984,004	-	8,422,504
Cash held by fund manager [Note 8]	-	1,436,782	-	1,346,983
Currency forwards [Note 10]	-	222,390	-	208,491
	-	32,877,821	-	30,822,957

10. Derivative financial instruments

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

	Group			Board		
	\$	\$	\$	\$	\$	\$
	Contract notional amount	Fair value Asset	Fair value Liability	Contract notional amount	Fair value Asset	Fair value Liability
2018						
Currency forwards	-	-	-	-	-	-
2017						
Currency forwards	18,823,697	268,669	46,279	17,647,216	251,878	43,387

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

11. Other receivables, deposits and prepayments

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Grants receivable	30,336,707	52,607,864	30,336,707	52,656,212
Interest receivable	295,863	2,104,629	283,420	2,091,056
Other receivables	1,482,089	1,545,442	1,321,717	1,480,371
Deposits	440,502	443,152	438,502	441,152
Other receivables and deposits	32,555,161	56,701,087	32,380,346	56,668,791
Prepayments	132,122	130,503	123,896	125,447
Total other receivables, deposits and prepayments	32,687,283	56,831,590	32,504,242	56,794,238

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:

	Group and Board	
	2018	2017
	\$	\$
Other receivables	118,800	-
Less: Allowance for impairment	(118,800)	-
	-	-
Movement in allowance accounts:		
At 1 April	-	-
Charge for the year	118,800	-
At 31 March	118,800	-

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

12. Subsidiaries

	Board	
	2018	2017
	\$	\$
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	
			2018	2017
			%	%
Singapore Philatelic Museum #†	Philatelic	Singapore	100	100
The Museum Shop Pte Ltd *	Dormant	Singapore	100	100

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

Audited by Ernst & Young LLP in 2018 and PricewaterhouseCoopers LLP in 2017

† Limited by guarantee with no share capital

13. Prepaid Leases

	Group and Board	
	2018	2017
	\$	\$
<u>Cost</u>		
At 1 April and 31 March	850,000	850,000
<u>Accumulated amortisation</u>		
At 1 April	194,792	88,542
Amortisation charge for the year	106,250	106,250
At 31 March	301,042	194,792
Carrying amount as at end of financial year	548,958	655,208

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

14. Property, plant and equipment

Group	Leasehold buildings and building improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment
	\$	\$	\$
2018			
Cost:			
At 1 April 2017	323,690,110	1,661,763	1,382,980
Additions	35,710	18,449	221,877
Transfer from work-in-progress	2,883,479	-	6,291
Disposals/Write-offs	-	-	[21,840]
At 31 March 2018	326,609,299	1,680,212	1,589,308
Accumulated depreciation			
At 1 April 2017	247,746,370	1,271,895	875,465
Depreciation charge	11,211,306	104,495	105,207
Disposals/Write-offs	-	-	[21,840]
At 31 March 2018	258,957,676	1,376,390	958,832
Net carrying amount:			
At 31 March 2018	67,651,623	303,822	630,476

Group	Leasehold buildings and building improvements	Mechanical and electrical equipment	Audio visual and micrographic equipment
2017			
Cost:			
At 1 April 2016	325,804,767	1,384,043	1,257,750
Additions	47,156	1,872	119,050
Transfer from work-in-progress	9,796,396	278,248	13,537
Disposals/Write-offs	[11,958,209]	[2,400]	[7,357]
At 31 March 2017	323,690,110	1,661,763	1,382,980
Accumulated depreciation			
At 1 April 2016	248,467,707	1,181,805	801,785
Depreciation charge	11,234,626	92,490	81,037
Disposals/Write-offs	[11,955,963]	[2,400]	[7,357]
At 31 March 2017	247,746,370	1,271,895	875,465
Net carrying amount:			
At 31 March 2017	75,943,740	389,868	507,515

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

Group	Furniture, fittings and office equipment	Computers	Work-in-progress	Total
	\$	\$	\$	\$
2018				
Cost:				
At 1 April 2017	21,530,282	8,543,625	3,832,263	360,641,023
Additions	1,160,952	52,596	3,791,169	5,280,753
Transfer from work-in-progress	98,116	346,726	[3,334,612]	-
Disposals/Write-offs	-	[48,068]	-	[69,908]
At 31 March 2018	22,789,350	8,894,879	4,288,820	365,851,868
Accumulated depreciation				
At 1 April 2017	11,584,790	6,090,051	-	267,568,571
Depreciation charge	2,290,891	1,364,642	-	15,076,541
Disposals/Write-offs	-	[48,068]	-	[69,908]
At 31 March 2018	13,875,681	7,406,625	-	282,575,204
Net carrying amount:				
At 31 March 2018	8,913,669	1,488,254	4,288,820	83,276,664

Group	Furniture, fittings and office equipment	Computers	Motor vehicles	Work-in-progress	Total
2017					
Cost:					
At 1 April 2016	22,011,363	6,572,372	65,900	4,308,315	361,404,510
Additions	174,567	528,950	-	11,424,639	12,296,234
Transfer from work-in-progress	365,429	1,447,081	-	[11,900,691]	-
Disposals/Write-offs	[1,021,077]	[4,778]	[65,900]	-	[13,059,721]
At 31 March 2017	21,530,282	8,543,625	-	3,832,263	360,641,023
Accumulated depreciation					
At 1 April 2016	10,441,067	4,857,284	65,900	-	265,815,548
Depreciation charge	2,140,444	1,237,545	-	-	14,786,142
Disposals/Write-offs	[996,721]	[4,778]	[65,900]	-	[13,033,119]
At 31 March 2017	11,584,790	6,090,051	-	-	267,568,571
Net carrying amount:					
At 31 March 2017	9,945,492	2,453,574	-	3,832,263	93,072,452

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

14. Property, plant and equipment (continued)

Board	Leasehold buildings and building improvements	Mechanical and electrical equipment
	\$	\$
2018		
Cost:		
At 1 April 2017	323,301,167	1,601,430
Additions	35,710	18,449
Transfer from work-in-progress	2,883,479	-
Disposals/Write-offs	-	-
At 31 March 2018	326,220,356	1,619,879
Accumulated depreciation		
At 1 April 2017	247,357,427	1,211,562
Depreciation charge	11,211,306	104,495
Disposals/Write-offs	-	-
At 31 March 2018	258,568,733	1,316,057
Net carrying amount:		
At 31 March 2018	67,651,623	303,822
2017		
Cost:		
At 1 April 2016	325,415,824	1,323,710
Additions	47,156	1,872
Transfer from work-in-progress	9,796,396	278,248
Disposals/Write-offs	[11,958,209]	[2,400]
At 31 March 2017	323,301,167	1,601,430
Accumulated depreciation		
At 1 April 2016	248,078,764	1,121,472
Depreciation charge	11,234,626	92,490
Disposals/Write-offs	[11,955,963]	[2,400]
At 31 March 2017	247,357,427	1,211,562
Net carrying amount:		
At 31 March 2017	75,943,740	389,868

The cost of property, plant and equipment that has been fully depreciated for the Group and the Board as at 31 March 2018 was \$226,393,505 (2017: \$224,155,936) and \$224,745,490 (2017: \$222,507,921) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

Audio visual and micrographic equipment	Furniture, fittings and office equipment	Computers	Work-in-progress	Total
\$	\$	\$	\$	\$
2018				
Cost:				
At 1 April 2017	1,382,980	20,239,848	8,520,556	3,832,263
Additions	221,877	1,160,952	48,864	3,791,169
Transfer from work-in-progress	6,291	98,116	346,726	[3,334,612]
Disposals/Write-offs	[21,840]	-	[48,068]	-
At 31 March 2018	1,589,308	21,498,916	8,868,078	4,288,820
Accumulated depreciation				
At 1 April 2017	875,465	10,348,086	6,066,982	-
Depreciation charge	105,207	2,267,923	1,364,538	-
Disposals/Write-offs	[21,840]	-	[48,068]	-
At 31 March 2018	958,832	12,616,009	7,383,452	-
Net carrying amount:				
At 31 March 2018	630,476	8,882,907	1,484,626	4,288,820
2017				
Cost:				
At 1 April 2016	1,257,750	20,720,929	6,549,303	4,308,315
Additions	119,050	174,567	528,950	11,424,639
Transfer from work-in-progress	13,537	365,429	1,447,081	[11,900,691]
Disposals/Write-offs	[7,357]	[1,021,077]	[4,778]	-
At 31 March 2017	1,382,980	20,239,848	8,520,556	3,832,263
Accumulated depreciation				
At 1 April 2016	801,785	9,227,439	4,834,215	-
Depreciation charge	81,037	2,117,368	1,237,545	-
Disposals/Write-offs	[7,357]	[996,721]	[4,778]	-
At 31 March 2017	875,465	10,348,086	6,066,982	-
Net carrying amount:				
At 31 March 2017	507,515	9,891,762	2,453,574	3,832,263

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

15. Heritage materials

Group	Asian Civilisations Museum	National Museum of Singapore
	\$	\$
2018		
At 1 April 2017	200,369,195	38,299,212
Acquisitions		
- Funded by donations (Note 18)	345,037	-
- Funded by equity injections from MCCY	2,273,851	1,529,482
- Funded by grants (Note 21)	311,372	-
- Donations-in-kind	365,595	16,875
At 31 March 2018	203,665,050	39,845,569
At cost	83,494,177	11,235,713
At valuation	120,170,873	28,609,856
	203,665,050	39,845,569
2017		
At 1 April 2016	196,529,497	36,753,270
Acquisitions		
- Funded by donations (Note 18)	721,333	-
- Funded by equity injections from MCCY	1,454,242	909,303
- Funded by grants (Note 21)	993,871	-
- Donations-in-kind	670,252	636,639
At 31 March 2017	200,369,195	38,299,212
At cost	80,563,917	9,706,231
At valuation	119,805,278	28,592,981
	200,369,195	38,299,212

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

Group	Singapore Art Museum	National Gallery Singapore	Heritage institution	Art Bank Scheme/ Government Institution Scheme	Philatelic collection	Total
	\$	\$	\$	\$	\$	\$
2018						
At 1 April 2017	169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182
Acquisitions						
- Funded by donations (Note 18)	-	-	-	-	-	345,037
- Funded by equity injections from MCCY	1,801,907	695,946	144,035	-	-	6,445,221
- Funded by grants (Note 21)	51,905	2,375,173	-	-	-	2,738,450
- Donations-in-kind	-	5,877,998	3,450	-	-	6,263,918
At 31 March 2018	171,419,431	63,617,849	10,684,396	2,114,252	1,308,261	492,654,808
At cost	49,542,839	38,405,038	10,488,383	2,114,252	1,208,126	196,488,528
At valuation	121,876,592	25,212,811	196,013	-	100,135	296,166,280
	171,419,431	63,617,849	10,684,396	2,114,252	1,308,261	492,654,808
2017						
At 1 April 2016	167,006,629	50,354,092	9,634,378	2,114,252	1,308,261	463,700,379
Acquisitions						
- Funded by donations (Note 18)	-	-	-	-	-	721,333
- Funded by equity injections from MCCY	2,467,859	1,772,090	642,957	-	-	7,246,451
- Funded by grants (Note 21)	62,100	1,681,250	202,813	-	-	2,940,034
- Donations-in-kind	29,031	861,300	56,763	-	-	2,253,985
At 31 March 2017	169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182
At cost	47,689,027	35,333,919	10,344,348	2,114,252	1,208,126	186,959,820
At valuation	121,876,592	19,334,813	192,563	-	100,135	289,902,362
	169,565,619	54,668,732	10,536,911	2,114,252	1,308,261	476,862,182

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

15. Heritage materials (continued)

Board	Asian Civilisations Museum	National Museum of Singapore
	\$	\$
2018		
At 1 April 2017	200,369,195	38,299,212
Acquisitions		
- Funded by donations (Note 18)	345,037	-
- Funded by equity injections from MCCY	2,273,851	1,529,482
- Funded by grants (Note 21)	311,372	-
- Donations-in-kind	365,595	16,875
At 31 March 2018	203,665,050	39,845,569
At cost	83,494,177	11,235,713
At valuation	120,170,873	28,609,856
	203,665,050	39,845,569
2017		
At 1 April 2016	196,529,497	36,753,270
Acquisitions		
- Funded by donations (Note 18)	721,333	-
- Funded by equity injections from MCCY	1,454,242	909,303
- Funded by grants (Note 21)	993,871	-
- Donations-in-kind	670,252	636,639
At 31 March 2017	200,369,195	38,299,212
At cost	80,563,917	9,706,231
At valuation	119,805,278	28,592,981
	200,369,195	38,299,212

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 2018 and 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

Board	Singapore Art Museum	National Gallery Singapore	Heritage institution	Art Bank Scheme/ Government Institution Scheme	Total
	\$	\$	\$	\$	\$
2018					
At 1 April 2017	169,565,619	54,668,732	10,536,911	2,114,252	475,553,921
Acquisitions					
- Funded by donations (Note 18)	-	-	-	-	345,037
- Funded by equity injections from MCCY	1,801,907	695,946	144,035	-	6,445,221
- Funded by grants (Note 21)	51,905	2,375,173	-	-	2,738,450
- Donations-in-kind	-	5,877,998	3,450	-	6,263,918
At 31 March 2018	171,419,431	63,617,849	10,684,396	2,114,252	491,346,547
At cost	49,542,839	38,405,038	10,488,383	2,114,252	195,280,402
At valuation	121,876,592	25,212,811	196,013	-	296,066,145
	171,419,431	63,617,849	10,684,396	2,114,252	491,346,547
2017					
At 1 April 2016	167,006,629	50,354,092	9,634,378	2,114,252	462,392,118
Acquisitions					
- Funded by donations (Note 18)	-	-	-	-	721,333
- Funded by equity injections from MCCY	2,467,859	1,772,090	642,957	-	7,246,451
- Funded by grants (Note 21)	62,100	1,681,250	202,813	-	2,940,034
- Donations-in-kind	29,031	861,300	56,763	-	2,253,985
At 31 March 2017	169,565,619	54,668,732	10,536,911	2,114,252	475,553,921
At cost	47,689,027	35,333,919	10,344,348	2,114,252	185,751,694
At valuation	121,876,592	19,334,813	192,563	-	289,802,227
	169,565,619	54,668,732	10,536,911	2,114,252	475,553,921

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

16. Other payables

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Accrual for staff costs	8,690,449	9,368,046	8,354,438	9,082,156
Other payables	20,607,725	20,535,591	20,497,365	20,433,052
	29,298,174	29,903,637	28,851,803	29,515,208

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.

17. Grants received in advance

	Operating Grants		Board	
	Group	2017	2018	2017
	2018	\$	\$	\$
	\$	\$	\$	\$
At 1 April	106,180,119	107,558,374	105,136,366	106,845,780
Grants received during the year	107,629,109	118,566,930	107,282,748	118,258,534
Transfer to deferred capital grants (Note 19)	(1,178,909)	[9,604,615]	(1,178,909)	[9,604,615]
Transfer to heritage capital reserve	(2,738,450)	[2,940,034]	(2,738,450)	[2,940,034]
Transfer to the Statement of Comprehensive Income	(105,535,014)	[107,400,536]	(105,517,805)	[107,423,299]
At 31 March	104,356,855	106,180,119	102,983,950	105,136,366

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

18. Deferred donations

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
At 1 April	8,404,820	11,648,268	8,404,820	11,648,268
Donations received	1,801,376	2,917,434	1,449,483	2,571,701
Transfer to the Statement of Comprehensive Income	(2,503,256)	[6,094,902]	(2,151,363)	[5,749,169]
Refund to donors	-	[65,980]	-	[65,980]
At 31 March	7,702,940	8,404,820	7,702,940	8,404,820

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 \$345,037 [2017: \$721,333] [Note 15] and \$417,043 [2017: \$163,802] 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.

19. Deferred capital grants

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
At 1 April	49,767,126	47,930,201	49,712,980	47,853,375
Transfer from grants (Note 17)	1,178,909	9,604,615	1,178,909	9,604,615
Amortisation of deferred capital grants				
- Depreciation of property, plant and equipment	(7,855,170)	[7,743,335]	(7,832,490)	[7,720,655]
- Write-off of property, plant and equipment	-	[24,355]	-	[24,355]
	(7,855,170)	[7,767,690]	(7,832,490)	[7,745,010]
At 31 March	43,090,865	49,767,126	43,059,399	49,712,980

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

20. Capital account

	Group and Board	
	2018	2017
	\$	\$
At 1 April	322,382,591	296,080,409
Issue of shares	45,036,590	26,302,182
At 31 March	367,419,181	322,382,591

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 45,036,590 [2017: 26,302,182] shares at \$1 each, comprising \$38,066,154 [2017: \$17,000,000] as a sinking fund which is designated to fund the replacement and capital improvement of property, plant and equipment, \$6,494,400 [2017: \$6,821,590] for acquisition of heritage materials and \$476,036 [2017: \$2,480,592] 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

21. Heritage capital reserve

	Group		Board	
	2017	2016	2017	2016
	\$	\$	\$	\$
At 1 April	167,715,664	164,775,630	167,715,754	164,775,720
Cumulative transfer from general fund for donated heritage materials and cash donations utilised to purchase heritage materials [Note 22b]	192,184,368	-	192,184,368	-
Current year transfer from general fund for donated heritage materials and donations utilised to purchase heritage materials	6,608,955	-	6,608,955	-
Acquisition of heritage materials using government grants [Note 17]	2,738,450	2,940,034	2,738,450	2,940,034
At 31 March	369,247,437	167,715,664	369,247,527	167,715,754
Philatelic assets				
Beginning and end of financial year	3,270,363	3,270,363	-	-
	372,517,800	170,986,027	369,247,527	167,715,754

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.

22. Accumulated surplus

(a) General Fund – Others

Income and expenditure relating to the main activities of the Group and Board are accounted for through the General Fund in the Group's and the Board's 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 22[b].

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

22. Accumulated surplus (continued)

(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 current 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 21).

As at 31 March 2018, 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:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

22. Accumulated surplus (continued)

(c) Restricted Funds (continued)

Group	Heritage Institution Funds		Other funds		Development fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Contribution and cash donations	397,011	403,615	888,341	4,436,337	-	-	1,285,352	4,839,952
Admission fees	129,719	104,200	-	-	-	-	129,719	104,200
Rental income	18,890	14,646	-	-	-	-	18,890	14,646
Interest income	-	-	-	-	1,357,614	2,270,322	1,357,614	2,270,322
Workshop/Seminars	2,968	528	-	-	-	-	2,968	528
Commission/Royalties/ Consignment	13,308	3,364	-	-	-	-	13,308	3,364
Others	41,017	187,008	-	-	-	-	41,017	187,008
	602,913	713,361	888,341	4,436,337	1,357,614	2,270,322	2,848,868	7,420,020
Operating expenditure								
Employee benefits expense	(3,248,890)	(3,719,985)	-	-	-	-	(3,248,890)	(3,719,985)
Depreciation of property, plant and equipment	(4,254,674)	(4,258,418)	(1,383,688)	(1,366,379)	-	-	(5,638,362)	(5,624,797)
Rental of premises/equipment	(581,864)	(554,974)	-	-	-	-	(581,864)	(554,974)
Maintenance and other property expenses	(2,314,630)	(2,179,243)	(151,405)	(3,649,566)	-	-	(2,466,035)	(5,828,809)
Exhibition expenses	(1,013,273)	(1,363,493)	(196,444)	(400,514)	-	-	(1,209,717)	(1,764,007)
Other services and fees	(1,400,623)	(1,036,846)	(42,986)	-	-	-	(1,443,609)	(1,036,846)
Outreach, publicity and public relations	(1,458,544)	(1,581,055)	(494,035)	(332,749)	-	-	(1,952,579)	(1,913,804)
Staff welfare and development	(61,244)	(54,550)	(2,641)	(19,130)	-	-	(63,885)	(73,680)
General and administrative expenses	(665,958)	(644,843)	(830)	(34,378)	-	-	(666,788)	(679,221)
Total operating expenses	(14,999,700)	(15,393,407)	(2,272,029)	(5,802,716)	-	-	(17,271,729)	(21,196,123)
Deficit before grants	(14,396,787)	(14,680,046)	(1,383,688)	(1,366,379)	1,357,614	2,270,322	(14,422,861)	(13,776,103)
Deferred capital grants amortised	4,254,674	4,258,418	1,383,688	1,366,379	-	-	5,638,362	5,624,797
Grants received	10,142,113	10,421,628	-	-	3,418,847	-	13,560,960	10,421,628
Net surplus	-	-	-	-	4,776,461	2,270,322	4,776,461	2,270,322
Accumulated surplus at beginning of financial year	-	-	-	-	3,979,208	1,708,886	3,979,208	1,708,886
Accumulated surplus at end financial year	-	-	-	-	8,755,669	3,979,208	8,755,669	3,979,208
Represented by:								
Assets								
Cash and cash equivalents	-	-	-	-	8,755,669	3,979,208	8,755,669	3,979,208
Net assets	-	-	-	-	8,755,669	3,979,208	8,755,669	3,979,208

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

22. Accumulated surplus (continued)

(c) Restricted Funds (continued)

Board	Heritage Institution Funds		Other funds		Development fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Income								
Contribution and cash donations	397,011	403,615	888,341	4,436,337	-	-	1,285,352	4,839,952
Admission fees	129,719	104,200	-	-	-	-	129,719	104,200
Rental income	18,890	14,646	-	-	-	-	18,890	14,646
Interest income	-	-	-	-	1,357,614	2,270,322	1,357,614	2,270,322
Workshop/Seminars	2,968	528	-	-	-	-	2,968	528
Commission/Royalties/ Consignment	13,308	3,364	-	-	-	-	13,308	3,364
Others	41,017	187,008	-	-	-	-	41,017	187,008
	602,913	713,361	888,341	4,436,337	1,357,614	2,270,322	2,848,868	7,420,020
Operating expenditure								
Employee benefits expense	(3,248,890)	(3,719,985)	-	-	-	-	(3,248,890)	(3,719,985)
Depreciation of property, plant and equipment	(4,254,674)	(4,258,418)	(1,383,688)	(1,366,379)	-	-	(5,638,362)	(5,624,797)
Rental of premises/equipment	(581,864)	(554,974)	-	-	-	-	(581,864)	(554,974)
Maintenance and other property expenses	(2,314,630)	(2,179,243)	(151,405)	(3,649,566)	-	-	(2,466,035)	(5,828,809)
Exhibition expenses	(1,013,273)	(1,363,493)	(196,444)	(400,514)	-	-	(1,209,717)	(1,764,007)
Other services and fees	(1,400,623)	(1,036,846)	(42,986)	-	-	-	(1,443,609)	(1,036,846)
Outreach, publicity and public relations	(1,458,544)	(1,581,055)	(494,035)	(332,749)	-	-	(1,952,579)	(1,913,804)
Staff welfare and development	(61,244)	(54,550)	(2,641)	(19,130)	-	-	(63,885)	(73,680)
General and administrative expenses	(665,958)	(644,843)	(830)	(34,378)	-	-	(666,788)	(679,221)
Total operating expenses	(14,999,700)	(15,393,407)	(2,272,029)	(5,802,716)	-	-	(17,271,729)	(21,196,123)
Deficit before grants	(14,396,787)	(14,680,046)	(1,383,688)	(1,366,379)	1,357,614	2,270,322	(14,422,861)	(13,776,103)
Deferred capital grants amortised	4,254,674	4,258,418	1,383,688	1,366,379	-	-	5,638,362	5,624,797
Grants received	10,142,113	10,421,628	-	-	3,418,847	-	13,560,960	10,421,628
Net surplus	-	-	-	-	4,776,461	2,270,322	4,776,461	2,270,322
Accumulated surplus at beginning of financial year	-	-	-	-	3,555,808	1,285,486	3,555,808	1,285,486
Accumulated surplus at end financial year	-	-	-	-	8,332,269	3,555,808	8,332,269	3,555,808
Represented by:								
Assets								
Cash and cash equivalents	-	-	-	-	8,332,269	3,555,808	8,332,269	3,555,808
Net assets	-	-	-	-	8,332,269	3,555,808	8,332,269	3,555,808

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

23. Net assets of trust funds

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

- (a) The Singapore Philatelic Fund which is established for the purpose of promoting and stimulating an interest in philately, managing the philatelic archival materials, and establishing and managing a postal museum, the Singapore Philatelic Museum. Any use of the Philatelic Fund which is not in accordance with these purposes and guidelines requires the prior approval 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.

Group	ASEAN COCI Fund	
	2018	2017
	\$	\$
Income		
Others	14,594	-
Expenditure		
Other services and fees	(12,210)	-
Net surplus	2,384	-
Accumulated surplus at 1 April	-	-
Accumulated surplus at 31 March	2,384	-
Represented by:		
Assets		
Cash and cash equivalents	2,384	-
Net assets	2,384	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

23. Net assets of trust funds (continued)

Board	Singapore Philatelic Fund		ASEAN COCI Fund		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
Income						
Interest income	32,895	36,237	-	-	32,895	36,237
Gain on investment at fair value through profit or loss	2,713	35,706	-	-	2,713	35,706
Others	-	-	14,594	-	14,594	-
Expenditure						
Other services and fees	(58)	-	(12,210)	-	(12,268)	-
Net surplus	35,550	71,943	2,384	-	37,934	71,943
Return of funds	(352,000)	-	-	-	(352,000)	-
Accumulated surplus at 1 April	4,092,305	4,020,362	-	-	4,092,305	4,020,362
Accumulated surplus at 31 March	3,775,855	4,092,305	2,384	-	3,778,239	4,092,305
Represented by:						
Assets						
Financial assets at fair value through profit or loss	-	2,054,864	-	-	-	2,054,864
Cash and cash equivalents	3,775,855	2,037,441	2,384	-	3,778,239	2,037,441
	3,775,855	4,092,305	2,384	-	3,778,239	4,092,305
Net assets	3,775,855	4,092,305	2,384	-	3,778,239	4,092,305

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

24. National Heritage Fund

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

	Group and Board	
	2018	2017
	\$	\$
At 1 April	8,042,100	8,500,609
Donations received		
- Tax-deductible	909,522	843,075
- Non-tax deductible	59,311	799,040
	968,833	1,642,115
Expenditure	(2,338,973)	(2,034,644)
Refund to Donor	-	(65,980)
At 31 March	6,671,960	8,042,100
Represented by:		
Assets		
Cash and cash equivalents	6,671,960	8,042,100
Net assets	6,671,960	8,042,100

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

25. Preservation of Monuments Fund

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

	Group and Board	
	2018	2017
	\$	\$
At 1 April	4,024,524	6,744,365
Donations received		
- Tax-deductible	258,650	929,586
- Non-tax deductible	2,000	-
	260,650	929,586
Expenditure	(141,068)	(3,649,427)
At 31 March	4,144,106	4,024,524
Represented by:		
Assets		
Cash and cash equivalents	4,144,106	4,024,524
Net assets	4,144,106	4,024,524

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.

26. Commitments

(a) Capital commitments

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

	Group and Board	
	2018	2017
	\$	\$
Contracted but not provided for	3,222,363	1,118,563
Authorised but not contracted for	80,210,579	14,732,191
	83,432,942	15,850,754

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

26. Commitments (continued)

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

The operating lease commitments relate to the leasing of premises at the various museums, other heritage organisations and photocopiers. The leases of the premises at various museums and other heritage organisations will expire between 17 April 2018 and 17 April 2021 (2017: 31 July 2017 and 14 February 2020) and the current rent payable on the leases range from \$120 to \$212,800 (2017: \$120 to \$207,324) per month and the photocopiers are under a lease of up to 5 years (2017: up to 5 years).

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

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Not later than one year	8,150,757	8,335,593	8,145,357	8,330,193
Later than one year but not later than five years	10,028,049	4,843,250	10,014,779	4,824,580
	18,178,806	13,178,843	18,160,136	13,154,773

(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	
	2018	2017
	\$	\$
Contracted but not provided for	1,476,300	1,793,026
Authorised but not contracted for	58,988	1,018,885
	1,535,288	2,811,911

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

27. Related party transactions

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

	2018	Board	2017
	\$		\$
Grants received/receivable			
- Ministry of Culture, Community and Youth	102,779,843		109,436,242
- National Arts Council	1,458,103		4,557,753
- Singapore Totalisator Board	21,222,038		19,050,154
Rental paid/payable to Singapore Land Authority	7,994,956		7,911,340
IT charges paid/payable to Government Technology Agency	1,260,208		959,964

Outstanding balances at 31 March 2018 and 2017 are as follows:

Grants receivable			
- Ministry of Culture, Community and Youth	8,437,666		32,729,719
- National Arts Council	-		80,000
- Singapore Totalisator Board	21,222,038		19,050,154
- Singapore Tourism Board	251,421		550,921
Other payables			
- Government Technology Agency	35,280		290,167

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. 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

(i) Currency risk

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

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

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

The Group is exposed to currency risk arising from quoted equity investments held by the fund manager. Where non-monetary financial instruments such as equity securities are denominated in currencies other than the functional currency of the Group, the price initially expressed in foreign currency and then converted into the functional currency will fluctuate because of changes in foreign exchange rates. The overall market position of these equity investments is monitored on a daily basis by the fund manager. Other than the investments in quoted equity investments, the fund manager manages the overall currency exposure mainly by entering into currency forwards. There are no quoted equity investments held by the Group and the Board as at 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The currency exposure that arises from the investments managed by the external fund manager is as at 31 March 2017 is as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

(ii) Price risk

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

Sensitivity analysis

In the previous financial year, had prices for quoted securities increased/decreased by 10% with all other variables being held constant, the net surplus would have increased/decreased by \$3,121,865 and \$2,926,748 for the Group and the Board respectively.

There are no investments held by the Group and the Board as at 31 March 2018.

(iii) Interest rate risks

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

The interest rate for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements. The interest rate of cash with AGD, defined as the ratio of the interest earned to the average cash balance, ranges from 1.21% to 1.28% [2017: 1.24% to 1.49%].

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(b) Credit risk

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

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

The Group's exposure to credit risk arises through its receivables. The Group's most significant debtor, the supervisory ministry, accounts for 26% (2017: 58%) of the receivables carrying amount. Based on the Group's historical experience in the collection of receivables, management believes that no impairment loss is required to be made on the outstanding receivables.

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

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

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

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

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Group				
Past due 0 - 30 days	134,151	158,871	34,760	158,871
Past due 31 - 365 days	71,421	22,932	12,435	22,146
	205,572	181,803	47,195	181,017

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(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.

	Group		Board	
	Less than one year		Less than one year	
	2018	2017	2018	2017
	\$	\$	\$	\$
Other payables	29,298,174	29,903,637	28,851,803	29,515,208

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(d) Fair value measurements

There are no financial assets at fair value through profit or loss and derivative financial instruments held by the Group and the Board as at 31 March 2018.

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Group				
2017				
Financial assets at fair value through profit or loss	22,234,645	8,984,004	-	31,218,649
Derivative financial instruments	-	222,390	-	222,390
	<u>22,234,645</u>	<u>9,206,394</u>	<u>-</u>	<u>31,441,039</u>
Board				
2017				
Financial assets at fair value through profit or loss	20,844,979	8,422,504	-	29,267,483
Derivative financial instruments	-	208,491	-	208,491
	<u>20,844,979</u>	<u>8,630,995</u>	<u>-</u>	<u>29,475,974</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

28. Financial risk management objectives and policies (continued)

(e) Financial instruments by category

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

	Group		Board	
	2018	2017	2018	2017
	\$	\$	\$	\$
Financial assets at fair value through profit or loss				
- Quoted equity securities	-	6,677,339	-	6,260,005
- Quoted bonds	-	15,557,306	-	14,584,974
- Quoted money market instruments	-	8,984,004	-	8,422,504
- Derivative financial instruments	-	222,390	-	208,491
Total financial assets at fair value through profit or loss	<u>-</u>	<u>31,441,039</u>	<u>-</u>	<u>29,475,974</u>
Loans and receivables				
Grants receivables	30,336,707	52,607,864	30,336,707	52,656,212
Interest receivables	295,863	2,104,629	283,420	2,091,056
Other receivables	1,482,089	1,545,442	1,321,717	1,480,371
Deposits	440,502	443,152	438,502	441,152
Cash and cash equivalents (Note 8)	360,803,701	262,207,359	353,059,132	255,996,548
Total loans and receivables	393,358,862	318,908,446	385,439,478	312,665,339
Financial liabilities at amortised cost	29,298,174	29,903,637	28,851,803	29,515,208

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2018

29. Comparative notes

The financial statements for the financial year ended 31 March 2017 were audited by another auditor.

Reclassification

During the current financial year, the Group and the Board have changed the classification of the following items in the Group's and the Board's Statement of Comprehensive Income to better reflect the nature of the items. Accordingly, the comparative figures in the Group's and the Board's Statement of Comprehensive Income have been reclassified to conform with current year's presentation

- Utilities, repairs and maintenance and security systems and services line items were grouped together and classified under "Maintenance and other property expenses"; and
- Goods and services tax expenses, Supplies and materials, Transport, postage and communications, Foreign exchange (loss)/gain line items were grouped together and classified under "General and administrative expenses".

30. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2018 were authorised for issue by the board members at their meeting on 27 June 2018.

Published by

—

National Heritage Board
61 Stamford Road, #03-08 Stamford Court
Singapore 178892