

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020



National Heritage Board and its Subsidiaries
(Established under the National Heritage Board Act, Chapter 196A)

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OUR MANDATE



VISION

Pride in Our Past, Legacy for Our Future

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

MISSION

To Preserve and Celebrate Our Shared Heritage

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

VALUES

Excellence

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

Passion

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

Integrity

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

Creativity

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

CORPORATE INFORMATION

NHB Board Members

Ms Yeoh Chee Yan
Chairman
National Heritage Board

Ms Chang Hwee Nee
CEO
National Heritage Board

Ms Beatrice Chong
Divisional Director (Curriculum
Planning and Development 2)
Ministry of Education

Mr Daryl Ng
Deputy Chairman
Sino Group

Mr Gerald Singham
Deputy Managing Partner
Dentons Rodyk & Davidson LLP

Ms Gopi Mirchandani
CEO & Head of Client Group Asia
(ex. Japan)
NN Investment Partners
(Singapore) Ltd

Ms Jan Chua
Coordinating Divisional Director
(Higher Education Group)
Ministry of Education

Mr Joseph Cheang
Chief Operating Officer
Architects 61 Pte Ltd

Mr Keith Chua
Executive Chairman
ABR Holdings Ltd

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

Mr Loh Lik Peng
Owner and Director
Unlisted Collection

Mr Mark Lee
CEO
Sing Lun Holdings Pte Ltd

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

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

Mr Tham Tuck Cheong
Managing Director
CIAP Architects Pte Ltd

Asian Civilisations Museum Advisory Board

Mr Loh Lik Peng
Owner and Director
Unlisted Collection

Mr Arrif Ziaudeen
CEO
The Choze Group Pte Ltd

Mr Ben J Benjamin (from Jan 2020)
Co-Founder and Partner
Genesis Alternative Ventures

Dr Farish A. Noor (from Jan 2020)
Associate Professor, S. Rajaratnam
School of International Studies
Nanyang Technological University

Mr Hideki Akiyoshi
Director
WonderAsia Pte Ltd

Mr Kwek Eik Sheng
Group Chief Strategy Officer
City Developments Ltd

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

Ms Lauren Khoo
Creative Director
Lauren X Khoo Pte Ltd

Mrs Maniza Jumabhoy (till Dec 2019)

Ms Mee-Seen Loong (from Jan 2020)
Consultant
Sotheby's New York

Dr Melanie Chew
Military Historian;
& Director
Resource Pacific Holdings

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

Ms Rachel Teo (till Dec 2019)
Director
Daniel Teo & Associates Pte Ltd

Ms Tan Siok Sun
Author;
& Chair
Wild Rice Ltd

Mr Timothy Chia
Chairman
Hup Soon Global Corporation Ltd

Mr Vinod Nair (from Jan 2020)
Founder and CEO
Nair Pte Ltd

Mr Whang Shang Ying
Executive Director
Lam Soon Singapore Pte Ltd

National Museum of Singapore Advisory Board

Mr Keith Chua
Executive Chairman
ABR Holdings Ltd

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

Ms Eunice Olsen (from Jan 2020)
Founder & CEO
Eunice Olsen Media

Mr Gerald Tan (from Jan 2020)
Head of Legal, Asia
ICBC Standard Bank PLC

Assoc Prof Hadijah Rahmat
(from Jan 2020)
Head, Asian Languages & Cultures
National Institute of Education

Ms Ho Peng
Advisor
Ministry of Education

Mr Jeshier Loi (from Jan 2020)
Director, Branding and
Market Development
Ya Kun International Pte Ltd

Mr John Koh
Director
NSL Ltd; Mapletree (US/Eur)
Logistics Pte Trust; & KrisEnergy Ltd

BG Kenneth Liow
Chief of Staff – General Staff
Ministry of Defence

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

Dr Kenson Kwok (from Jan 2020)
Founding Director
Asian Civilisations Museum

Mr Mohan Mulani (from Jan 2020)
Managing Director
7 Hospitality Singapore Pte Ltd

Mr Suhaimi Rafdi (till Dec 2019)
Senior Director, Our Tampines Hub
People's Association

Ms Wendy Ang
Director
National Archives of Singapore

Preservation of Sites and Monuments Advisory Board

Mr Tan Kok Hiang
Founding Director
Forum Architects

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

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

Dr Chang Jiat Hwee
Associate Professor
Department of Architecture
National University of Singapore

Er Chew Keat Chuan
Group Director, Building Engineering
Building and Construction Authority

Mr Fong Hoo Cheong
Principal Architect
HCF and Associates Architects

Dr Hossein Rezai-Jorabi
(from Jan 2020)
Founding Principal and Director
Web Structures Pte Ltd;
& Managing Director
Milan Research Lab

Assoc Prof Johannes Widodo
(till Dec 2019)
Deputy Head (Research)
Department of Architecture
National University of Singapore

Mr John Chung
Head
Engineering and Construction
Kelvin Chia Partnership

Mr Ler Seng Ann
Group Director
Development Services
Urban Redevelopment Authority

Mr Raymond Woo
Principal Architect
Raymond Woo & Associates
Architects

Mr Tan Boon Khai
CEO
Singapore Land Authority

Mdm Wo Mei Lan
Director
Liu & Wo Architects Pte Ltd

Indian Heritage Centre Advisory Board

Amb Gopinath Pillai
Ambassador-at-Large;
Executive Chairman
Savant Infocomm Pte Ltd;
& Chairman
Institute of South Asian Studies

Mr Dilbagh Singh
Retired Educator

Ms Juthika Ramanathan
(from Jan 2020)
Chief Executive
Judiciary Administration
& Operations
Supreme Court of Singapore

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

Mr Naseer Ghani (till Dec 2019)
Former President
Singapore Kadayanallur
Muslim League;
& Head of Department (PE & CCA)
New Town Primary School

Mr R Dhinakaran
Managing Director
Jay Gee Melwani Group

CORPORATE INFORMATION

Mr R Rajaram (from Jan 2020)
Senior Director, Office of Admissions
National University of Singapore

Assoc Prof Rajesh Rai
Deputy Head, South Asian Studies
National University of Singapore

Assoc Prof Seshan Ramaswami
(till Dec 2019)
Honorary General Secretary
Singapore Indian Fine Arts Society;
& Associate Professor
Singapore Management University

Prof Tan Tai Yong
President
Yale-NUS College

Malay Heritage Foundation

Dr Norshahril Saat
Fellow
ISEAS-Yusof Ishak Institute

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

Mr Alvin Tan
Deputy Chief Executive
(Policy & Community)
National Heritage Board

Dr Azhar Ibrahim
Lecturer
Department of Malay Studies
National University of Singapore

Mr Edwin Ignatious M (till Jul 2019)
Deputy Director
(Corporate Legal Department)
Singapore Food Agency

Mr Khairudin Saharom
(from Aug 2019)
Principal & Director
Kite Studio Architecture

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

Ms Nadia Yeo (from Aug 2019)
Deputy Director
(Legislation and Policy Advisory)
Ministry of Home Affairs

Mdm Rahayu Buang
CEO
Yayasan Mendaki

Mdm Siti Habibah binte Haji Siraj
(till Jul 2019)
Principal
SZ Architects

Ms Suree Rohan (from Aug 2019)
Principal (Audit & Advisory Services)
Rohan Mah & Partners LLP

Mr Zafilin Abdul Hamid
Deputy Director (Mother Tongue
Languages Branch)
Ministry of Education

Mr Zhulkarnain Abdul Rahim
Partner
Dentons Rodyk & Davidson LLP

Mdm Zuraida binte
Haji Mohamed Din (till Jul 2019)
Finance Manager
Jamiyah Singapore

Sun Yat Sen Nanyang Memorial Hall Board

Mr Pek Lian Guan
CEO
Tiong Seng Holdings Ltd

Mr Adrian Peh
Managing Director
Yeo-Leong & Peh LLC

Mr Hwang Yee Cheau
Managing Director & CEO
TP Dental Surgeons Pte Ltd

Dr Lee Peng Shu
Chairman
Tea Chapter Pte Ltd

Mr Ng Siew Quan
Partner
PricewaterhouseCoopers LLP

Mr Wan Shung Ming
Executive Director
Tin Sing Goldsmiths Pte Ltd

Mr Wu Hsioh Kwang
Executive Chairman
Straco Corporation Ltd

Sun Yat Sen Nanyang Memorial Hall Board Advisors

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

Singapore Philatelic Museum Board

Prof Cheah Jin Seng
Emeritus Consultant
National University Hospital
(S) Pte Ltd

Dr Christine Chen
Founder & President
Association for Early Childhood
Educators (Singapore)

Mr Hong Tuck Kun
Managing Director
Risk Management Group
DBS Group Holdings Ltd

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

Mr Ong Tong San
Senior Director, Market Access
& Competition Development
Infocomm Media Development
Authority of Singapore

Mr Vincent Phang (from Aug 2019)
CEO (Postal Services & Singapore)
Singapore Post Ltd

Mr Woo Keng Leong (till Jul 2019)
Postal Advisor
Singapore Post Ltd

Malay Language Council, Singapore

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

Mr Abdul Harris bin Sumardi
Vice President
Malay Language Teachers
Association;
& Principal
Westwood Secondary School

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

Dr Azhar Ibrahim
Lecturer
Department of Malay Studies
National University of Singapore

Ms Azizah Zakaria
Program Chair
(Diploma in Arts & Theatre
Management)
Republic Polytechnic

Mr Daud Yusof
Editor (Berita Mediacorp)
Mediacorp Pte Ltd

Mr Farizan Mohd Amin
Malay Teacher

Assoc Prof Hadijah Rahmat
Head
Asian Languages and Culture
Academic Group
National Institute of Education

Dr Jazlan bin Joosoph
Specialist (Obstetrics & Gynaecology)
Raffles Medical Group

Mr Juffri bin Supa'at
Senior Librarian
National Library Board

Mr Mohammad Asri Sunawan
Consultant (Strategic
Communications)
Majlis Ugama Islam Singapura

Mr Mohd Saat bin Abdul Rahman
Editor
Singapore Press Holdings Ltd

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

Mdm Norshima binte Abdul Aziz
Director, Communications
& Community and Family
Engagement Department
MENDAKI

Mr Omar Ismail (till Dec 2019)
Chairman (MESRA)
People's Association

Mdm Rahayu Mahzam
Member of Parliament
Jurong GRC;
& Associate Director
Heng, Leong & Srinivasan LLC

Mr Tajudin Jaffar
Master Specialist
(Mother Tongue Languages Branch)
Ministry of Education

Malay Language Council, Singapore (Board of Advisors)

Mr Yatiman Yusof
Non-Resident High Commissioner
of Singapore to the Republic
of Kenya;
& Former Senior Parliamentary
Secretary

Mr Hawazi Daipi
Non-Resident High Commissioner
of Singapore to the Republic
of Ghana;
& Former Senior Parliamentary
Secretary

Assoc Prof Kamsiah Abdullah
Associate Professor
Singapore University of
Social Sciences

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

Mr Sidek Saniff
Former Senior Minister of State

Mr Wan Hussin Zohri
Former Member of Parliament

Promote Mandarin Council

Mr Chua Chim Kang
Chief Editor
(Chinese News & Current Affairs)
Mediacorp Pte Ltd

Mr Adrian Peh
Managing Director
Yeo-Leong & Peh LLC

Mr Andy Hoon
CEO
Kim San Leng (F&B) Group

CORPORATE INFORMATION

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

Mdm Heng Boey Hong
Director
(Mother Tongue Languages Branch)
Ministry of Education

Ms Kai Ying
Assistant Programme Director
So Drama! Entertainment;
& DJ
88.3 Jia

Assoc Prof Lan Luh Luh
Associate Professor
National University of Singapore

Mr Lee Ee Wurn
Programmes Director
Singapore Chinese Cultural Centre

Ms Lee Kuan Fung
Founder & Director
LuLeLe Learning Space

Ms Lee Siew Li
Director (Translation Department)
Ministry of Communications
and Information

Dr Liang Wern Fook
Language Director
Xue Er You Language Centre

Ms Loh Gek Khim
Director (Skills Development Group)
SkillsFuture Singapore

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

Ms Ng Wai Mun
Correspondent
(Chinese Media Group News Hub)
Singapore Press Holdings

Dr Tan Chee Lay
Deputy Head (Asian Languages
& Cultures Academic Group)
National Institute of Education

Ms Tang Tung San
Director (Volunteer Management)
People's Association

Mr Wan Shung Ming
Executive Director
Tin Sing Goldsmiths Pte Ltd

Ms Xiaohan
Lyricist & Founder
Funkies Monkeys Music Brand

Mr Yang Ji Wei
Executive Director
The TENG Ensemble Ltd

Speak Good English Movement Committee

Mr Jason Leow
Managing Director
Corporate Affairs & Communications
GIC

Ms Amanda Chong
Deputy Senior State Counsel
Attorney-General's Chambers

Ms Catherine Lau
Assistant Chief Executive
National Library Board

Mrs Greta Georges
Creative Director
Cloudy South Productions

Mr Jonathan Paul Gresham
Assistant Director
Asia Creative Writing Programme
Nanyang Technological University

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

Ms May Tan
Academy Principal
English Language Institute
of Singapore

Ms Melissa Low
Research Fellow
Energy Studies Institute
National University of Singapore

Ms Pooja Nansi
Festival Director
Singapore Writers Festival

Mr Yeow Kai Chai
Editor-in-Chief
19SixtyFive

Tamil Language Council

Mr R Rajaram
(Chairman till Aug 2019)
Senior Director, Office of Admissions
National University of Singapore

Mr Manogaran s/o Suppiah
(Chairman from Aug 2019)
Principal
Anderson Serangoon Junior College

Mr Anbarasu Rajendran
CEO
Singapore Indian Development
Association

Ms Ashwini Selvaraj
Student
National University of Singapore

Mr Azhagiya Pandiyan s/o
Duraismwamy
Head (Tamil Language Services)
National Library Board

Mr Danapal Kumar
Senior Project Officer
(LKCYB Project Office)
Ministry of Education

Ms Harini V
Digital Content Writer
EMQ

Mr Irshath Mohamed
Journalist (Tamil Murasu)
Singapore Press Holdings Ltd

Mr Jothinathan Manikavachagam
Managing Director
Sri Vinayaka Exports Pte Ltd

Mr Naseer Ghani
Former President
Singapore Kadayanallur
Muslim League;
& Head of Department (PE & CCA)
New Town Primary School

Mr Pandiyan s/o Vellasami
Senior Assistant Director
(Community Justice & Tribunals)
State Courts Singapore

Mr Plavenderraj Sundar Arockiyaraj
Mechanical Engineer
GlaxoSmithKline

Mr Raj Kumar Chandra
Chairman
Little India Shopkeepers
& Heritage Association

Mr Ramamoorthy Krishnan
Senior Lecturer
Republic Polytechnic

Mr Rangarajan Narayanamohan
Senior Partner
Natarajan & Swaminathan –
Chartered Accountants

Mdm Tamilvani Muthu
Senior Specialist (Tamil Language)
Ministry of Education

Mrs Vijayalakshmi Jagadeesh
Managing Director
JVKM – MITRAA Group
of Companies

Tamil Language Council (Board of Advisors)

Mr K Muralidharan Pillai
Member of Parliament

Mr R Rajaram (from Aug 2019)
Senior Director, Office of Admissions
National University of Singapore

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

Archaeology Advisory Panel (from Oct 2019)

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

Dr Derek Heng
Chair, Department of History
Northern Arizona University

Dr Jack Tsen-Ta Lee
President
Singapore Heritage Society

Prof John Miksic
Emeritus Professor
Department of
Southeast Asian Studies
National University of Singapore

Dr Noel Hidalgo Tan
Senior Specialist (Archaeology)
SEAMEO-SPAFA

Mr Paddy Waterson
Heritage Lead
APA Group, Australia

Assoc Prof Peter Borschberg
Associate Professor
Department of History
National University of Singapore

Mr Tan Cheng Peng
Director (Special Project)
Maritime and Port Authority
of Singapore

Mr Wong Tuan Wah
Group Director
Fort Canning Park & Istana Division
National Parks Board

Heritage Advisory Panel

Prof Brenda Yeoh
Director, Humanities
& Social Science Research
National University of Singapore

Assoc Prof Albert Lau
(from Jan 2020)
Associate Professor
Department of History
National University of Singapore

Assoc Prof Kamaludeen
bin Mohamed Nasir
Associate Professor, Sociology
School of Social Science
Nanyang Technological University

Assoc Prof Kelvin Low (till Dec 2019)
Associate Professor & Deputy Head
of Department of Sociology
National University of Singapore

Dr Lai Ah Eng (from Jan 2020)
Adjunct Senior Fellow
University Scholars Programme
National University of Singapore

CORPORATE INFORMATION

Mr Mohamad Adib bin Jalal
(from Jan 2020)
Director
The Shophouse & Co Group Pte Ltd

Assoc Prof Rahil binte Ismail
Associate Professor (Humanities
and Social Studies Education)
National Institute of Education

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

Ms Sunitha Janamohanam
Lecturer, Arts Management
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;
& Head (Temasek History
Research Centre)
ISEAS-Yusof Ishak Institute

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

Ms Wendy Ang
Director
National Archives of Singapore

Dr Yeo Kang Shua
Associate Professor
& Associate Head of Pillar
(Research/Practice/ Industry)
Singapore University of Technology
and Design

Mr Zahidi bin Abdul Rahman
(till Dec 2019)
Principal Architect
Zahidi A R Arkitek

Heritage Grants External Assessment Panel

Dr Chua Ai Lin
Executive Director
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
Department of Malay Studies
National University of Singapore

Mr Raja Segar
Chief Executive Officer
Hindu Endowments Board;
& Director, Strategic Planning
and Coordination
Singapore Institute of Technology

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

Mr Tan Ooi Boon
Invest Editor and Supervising Editor
(ST Press and ST Skills)
The Straits Times

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

International Conservation Advisory Panel (from Oct 2019)

Prof Bertrand Lavédrine
Professor
Muséum National d'Histoire
Naturelle, Paris

Dr Chiraporn Aranyanark
Conservation Specialist,
Research and Consultant
National Discovery Museum Institute,
Thailand

Dr Dinah Eastop
Honorary Senior Lecturer
Institute of Archaeology
University College London

Prof Robyn Sloggett
Cripps Foundation Chair in Cultural
Materials Conservation
Grimwade Centre
University of Melbourne

Prof Zhou Ping
Deputy Director
Shaanxi Institute for the Preservation
of Cultural Heritage, Xi'an, China

National Collection Advisory Panel

Prof Tan Tai Yong
President
Yale-NUS College

Prof Brenda Yeoh (till Dec 2019)
Director, Humanities
& Social Science Research
National University of Singapore

Dr Ivy Maria Lim (from Jan 2020)
Associate Professor and Head
Humanities and Social Studies
Education
National Institute of Education

Dr Jack Lee
President
Singapore Heritage Society

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

Mr Kwa Chong Guan (till Dec 2019)
Senior Fellow, S. Rajaratnam School
of International Studies
Nanyang Technological University

Prof Kwok Kian Woon (till Dec 2019)
Associate Provost (Student Life)
Nanyang Technological University

Mr Low Eng Teong (from Jan 2020)
Deputy CEO (Sector Development)
National Arts Council

Mr Low Sze Wee (from Jan 2020)
CEO
Singapore Chinese Cultural Centre

Ms Margaret Birtley (from Jan 2020)
Principal
Margaret Birtley Consulting;
& Associate
Significance International Pty Ltd

Mr Milenko Prvacki (till Dec 2019)
Senior Fellow
LASALLE College of the Arts

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

Dr T. C Chang (from Jan 2020)
Associate Professor
Department of Geography
National University of Singapore

Dr Terence Chong (from Jan 2020)
Deputy Director
ISEAS-Yusof Ishak Institute;
& Head (Temasek History
Research Centre)
ISEAS-Yusof Ishak Institute

Prof Vineeta Sinha (from Jan 2020)
Department Head
Department of Sociology and
South Asian Studies Programme
National University of Singapore

PRINCIPAL BANKER
DBS Bank Ltd

CHARITY & IPC STATUS

National Heritage Board
UEN No.: T08GB0036B

Charity Registration Date:
28 January 1995

Establishment Date:
1 August 1993

National Heritage Fund
UEN No.: T03CC1717K

Charity & IPC
Establishment Date:
1 August 2003

Effective Period:
1 August 2017 to 31 July 2020

Renewed Effective Period:
1 August 2020 to 31 July 2022

Preservation of Monuments Fund
UEN No.: T03CC1669C

Charity & IPC
Establishment Date:
21 March 2003

Effective Period:
1 January 2018 to
31 December 2019

Renewed Effective Period:
1 January 2020 to
31 December 2021

The Preservation of Monuments Fund (PMF) is an IPC administered by the Preservation of Sites and Monuments (PSM) division, with management committee oversight provided by the PSM Advisory Board. It achieves its objective of supporting the preservation of National Monuments through allowing community and religious owners of National Monuments to collect tax-deductible donations to fund restoration of their monument and historic structures, and pay for lease renewals to permit the original community to remain at the monument for posterity.

ORGANISATIONAL STRUCTURE

(As of 31 March 2020)



CORPORATE GOVERNANCE

BOARD MATTERS

The NHB Board consists of 14 independent members drawn from the public and private sectors. The Board guides NHB towards achieving its vision, mission and strategic objectives, ensures good corporate governance, approves optimal use of NHB's budget, and reviews management performances.

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

BOARD COMMITTEES

1) APPOINTMENTS & REMUNERATION COMMITTEE

Ms Yeoh Chee Yan (Chairman)
 Mr Vincent Hoong (Member till 9 April 2019)
 Mrs Kelvyna Chan (Member till 31 July 2019)
 Professor Lily Kong (Member)
 Dr Suriani Suratman (Member)
 Ms Beatrice Chong (Member from 1 August 2019)
 Ms Chang Hwee Nee (Member – Ex-officio)

2) AUDIT AND RISK COMMITTEE

Mrs Quek Bin Hwee (Chairman)
 Mr Vincent Hoong (Member till 9 April 2019)
 Mrs Kelvyna Chan (Member till 31 July 2019)
 Ms Jan Chua (Member)
 Mr Gerald Singham (Member from 1 August 2019)
 Mr Mark Lee (Member from 1 August 2019)

3) DEVELOPMENT COMMITTEE

Mr Zahidi Abdul Rahman (Chairman till 31 July 2019)
 Mr Tham Tuck Cheong (Chairman from 1 August 2019)
 Mr Joseph Cheang (Member from 1 August 2019)
 Ms Cheong Suat Choo (Member, co-opted)
 Mr Foo Siang Jeok (Member, co-opted)

4) INVESTMENT COMMITTEE

Ms Gopi Mirchandani (Chairman)
 Mr Patrick Lee (Member till 31 July 2019)
 Mr Daryl Ng (Member)
 Mr Mark Lee (Member from 1 August 2019)
 Mr Timothy Chia (Member, co-opted)

5) PRESERVATION OF MONUMENTS FUND (PMF) MANAGEMENT COMMITTEE

Mr Tan Kok Hiang (Chairman)
 Mr Ler Seng Ann (Member)
 Mr Fong Hoo Cheong (Member)
 Mr Raymond Woo (Member)
 Mr John Chung (Member)
 Er Chew Keat Chuan (Member)
 Mdm Wo Mei Lan (Member)
 Mr Tan Boon Khai (Member)
 Mr Ashvinkumar s/o Kantilal (Member)
 Dr Chang Jiat Hwee (Member)
 Dr Albert Lau (Member)
 Assoc Prof Johannes Widodo (Member)
 Dr Hossein Rezai-Jorabi (Member)

FY19 BOARD MEETING ATTENDANCE

| | Held | Attended |
|--------------------------|------|----------|
| Ms Yeoh Chee Yan | 4 | 4 |
| Ms Chang Hwee Nee | 4 | 4 |
| Ms Beatrice Chong ^ | 3 | 2 |
| Mr Daryl Ng | 4 | 3 |
| Mr Gerald Singham ^ | 3 | 3 |
| Ms Gopi Mirchandani | 4 | 3 |
| Ms Jan Chua | 4 | 2 |
| Mr Joseph Cheang ^ | 3 | 3 |
| Mr Keith Chua ^ | 3 | 3 |
| Mrs Kelvyna Chan * | 1 | 1 |
| Prof Lily Kong | 4 | 2 |
| Mr Loh Lik Peng ^ | 3 | 2 |
| Mr Mark Lee ^ | 3 | 2 |
| Mr Patrick Lee * | 1 | 1 |
| Mrs Quek Bin Hwee | 4 | 4 |
| Dr Suriani Suratman | 4 | 2 |
| Mr Tham Tuck Cheong | 4 | 4 |
| Mr Vincent Hoong ~ | 0 | 0 |
| Mr Warren Fernandez * | 1 | 1 |
| Mr Zahidi Abdul Rahman * | 1 | 1 |

* Retired on 31 July 2019

^ Appointed on 1 August 2019

~ Resigned on 9 April 2019

CORPORATE GOVERNANCE

LEGAL

NHB's in-house Legal Unit provides advice on all legal matters such as the drafting/review of contracts and Memorandums of Understanding that support the work of NHB, ranging from the procurement of goods and services to the acquisition or loan of artworks and artefacts, interpretation of legislation, arrangements for day-to-day operation of the museums such as leases and venue hire, advising on regulatory issues relating to the preservation of national monuments, and intellectual property/copyright issues.

INTERNAL AUDIT

The Internal Audit Department is an independent function that reports directly to the Chairman of the Audit and Risk Committee and administratively to the Chief Executive. A risk-based approach is used to develop the annual audit plan to ensure that all Institutions/ Divisions within NHB are reviewed at appropriate intervals to ensure alignment with corporate objectives and good governance practices. The audit plans are reviewed and approved by the Audit and Risk Committee.

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), Public Sector (Governance) Act 2018, Singapore Financial Reporting Standards for Statutory Boards, Code of Governance for Charities and Institutions of a Public Character, and Government Instruction Manuals for policies and procedures relating to financial controls.

MANAGEMENT OF THE NATIONAL COLLECTION

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

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

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

CONFLICT OF INTEREST POLICY

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

DISCLOSURE AND TRANSPARENCY

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

BOARD MEMBERS' STATEMENT

For the financial year ended 31 March 2020

In our opinion,

- (a) the accompanying financial statements of the National Heritage Board (the "Board") and its subsidiaries (the "Group") 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 2020 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year then ended in accordance with the provisions of the National Heritage Board Act (Chapter 196A) ("NHB Act"), the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), Singapore Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS");
- (b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.
- (c) the receipt, expenditure and 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 NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board;
- (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;
- (e) the National Heritage Fund and Preservation of Monuments Fund of the Board have complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations; and
- (f) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

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

On behalf of the Board



Yeoh Chee Yan
Chairman



Chang Hwee Nee
Chief Executive Officer

24 September 2020

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

Independent auditor's report
For the financial year ended 31 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Heritage Board (the "Board") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Board as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in capital and reserves and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in capital and reserves of the Board 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, and the balance sheet, statement of comprehensive income, statement of changes in capital and reserves of the Board are properly drawn up in accordance with the provisions of the National Heritage Board Act, Chapter 196A, ("NHB Act"), the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Statutory Board Financial Reporting Standards ("SB-FRS"), so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2020 and the results and changes in capital and reserves of the Group and the Board and cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and the Statement by Board Members, but does not include the financial statements and our auditor's report thereon.

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

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

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

Independent auditor's report
For the financial year ended 31 March 2020

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the NHB Act, the Charities Act and Regulations, the Public Sector (Governance) Act and SB-FRS, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Independent auditor's report
For the financial year ended 31 March 2020

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board.
- (b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

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

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

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

Independent auditor's report
For the financial year ended 31 March 2020

Basis for Opinion

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

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Auditor's Responsibility for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the NHB Act, the Public Sector (Governance) Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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



Ernst & Young LLP
Public Accountants and Chartered Accountants
Singapore, 24 September 2020

National Heritage Board and its Subsidiaries

Statements of comprehensive income For the financial year ended 31 March 2020

| Group | Note | General fund | | Restricted funds | | Total | |
|--|------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | |
| Cash donations | | 829,664 | 972,524 | 2,382,735 | 627,742 | 3,212,399 | 1,600,266 |
| Donated heritage materials | | 2,641,745 | 1,720,592 | – | – | 2,641,745 | 1,720,592 |
| Cash donations for property, plant and equipment/heritage materials | | 1,083,882 | 77,164 | – | – | 1,083,882 | 77,164 |
| Contributions/sponsorships-in-kind | | 2,446,672 | – | – | – | 2,446,672 | – |
| Admission fees | 5 | 3,792,360 | 3,620,146 | 131,973 | 143,244 | 3,924,333 | 3,763,390 |
| Rental income | 13 | 1,697,331 | 2,898,245 | 28,626 | 17,950 | 1,725,957 | 2,916,195 |
| Interest income | | 2,368,902 | 2,571,362 | 3,240,519 | 3,146,988 | 5,609,421 | 5,718,350 |
| Workshops/seminars | 5 | 437,932 | 280,166 | 15,299 | 2,299 | 453,231 | 282,465 |
| Consultancy/project management | 5 | 183,985 | 935,258 | – | – | 183,985 | 935,258 |
| Commission/royalties/consignment | 5 | 190,666 | 201,167 | 18,734 | 9,403 | 209,400 | 210,570 |
| Sales at Singapore Philatelic Museum | 5 | 4,202 | 74,648 | – | – | 4,202 | 74,648 |
| Others | 5 | 846,288 | 880,643 | 34,547 | 48,187 | 880,835 | 928,830 |
| | | 16,523,629 | 14,231,915 | 5,852,433 | 3,995,813 | 22,376,062 | 18,227,728 |
| Other gains | 6 | 1,393,796 | 19 | – | – | 1,393,796 | 19 |
| Operating expenditure | | | | | | | |
| Employee benefits expense | 4 | (38,345,015) | (38,121,848) | (3,982,511) | (3,768,797) | (42,327,526) | (41,890,645) |
| Amortisation of prepaid lease | | – | (106,250) | – | – | – | (106,250) |
| Depreciation of property, plant and equipment | 12 | (9,251,220) | (10,256,832) | (5,311,981) | (5,425,169) | (14,563,201) | (15,682,001) |
| Depreciation of right-of-use assets | 13 | (8,964,705) | – | – | – | (8,964,705) | – |
| Rental of premises/equipment | 13 | (1,740,942) | (10,614,357) | (389,641) | (398,610) | (2,130,583) | (11,012,967) |
| Maintenance and other property expenses | | (12,571,180) | (13,813,352) | (3,875,934) | (2,254,865) | (16,447,114) | (16,068,217) |
| Exhibition expenses | | (8,233,175) | (9,039,221) | (1,313,184) | (1,113,249) | (9,546,359) | (10,152,470) |
| Other services and fees | | (13,363,964) | (10,239,026) | (1,341,980) | (1,242,224) | (14,705,944) | (11,481,250) |
| Outreach, publicity and public relations | | (20,804,984) | (15,949,352) | (1,913,483) | (1,912,317) | (22,718,467) | (17,861,669) |
| Staff welfare and development | | (1,739,192) | (1,794,977) | (65,506) | (75,516) | (1,804,698) | (1,870,493) |
| General and administrative expenses | | (4,948,374) | (5,067,221) | (689,112) | (885,942) | (5,637,486) | (5,953,163) |
| Property, plant and equipment written off | | (247,632) | (13,319) | – | – | (247,632) | (13,319) |
| Heritage materials written off | 14 | (143,780) | – | – | – | (143,780) | – |
| Grant expenses | | (1,843,178) | (2,458,567) | – | – | (1,843,178) | (2,458,567) |
| Board members' allowances | 4 | (262,539) | (222,188) | – | – | (262,539) | (222,188) |
| Total operating expenditure | | (122,459,880) | (117,696,510) | (18,883,332) | (17,076,689) | (141,343,212) | (134,773,199) |
| Deficit before grants | | (104,542,455) | (103,464,576) | (13,030,899) | (13,080,876) | (117,573,354) | (116,545,452) |
| Grants | | | | | | | |
| Deferred capital grants amortised | 19 | 5,290,776 | 5,698,079 | 2,238,585 | 2,252,656 | 7,529,361 | 7,950,735 |
| Grants received | 17 | 99,695,581 | 95,879,957 | 14,032,833 | 13,975,208 | 113,728,414 | 109,855,165 |
| | | 104,986,357 | 101,578,036 | 16,271,418 | 16,227,864 | 121,257,775 | 117,805,900 |
| Surplus/(deficit) before income tax | | 443,902 | (1,886,540) | 3,240,519 | 3,146,988 | 3,684,421 | 1,260,448 |
| Income tax expense | | – | – | – | – | – | – |
| Net surplus/(deficit) | 7 | 443,902 | (1,886,540) | 3,240,519 | 3,146,988 | 3,684,421 | 1,260,448 |
| Other comprehensive income | | | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Grants for heritage materials | 21 | 616,393 | 1,201,924 | – | – | 616,393 | 1,201,924 |
| Total comprehensive income | | 1,060,295 | (684,616) | 3,240,519 | 3,146,988 | 4,300,814 | 2,462,372 |
| Adjusted net (deficit)/surplus | 7 | (1,949,146) | (2,402,437) | 3,240,519 | 3,146,988 | 1,291,373 | 744,551 |

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

National Heritage Board and its Subsidiaries

Statements of comprehensive income For the financial year ended 31 March 2020

| Board | Note | General fund | | Restricted funds | | Total | |
|--|------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | |
| Cash donations | | 509,664 | 652,827 | 2,382,735 | 627,742 | 2,892,399 | 1,280,569 |
| Donated heritage materials | | 2,616,585 | 1,720,592 | – | – | 2,616,585 | 1,720,592 |
| Cash donations for property, plant and equipment/heritage materials | | 1,083,882 | 77,164 | – | – | 1,083,882 | 77,164 |
| Contributions/sponsorships-in-kind | 5 | 2,446,672 | – | – | – | 2,446,672 | – |
| Admission fees | 5 | 3,792,360 | 3,568,083 | 131,973 | 143,244 | 3,924,333 | 3,711,327 |
| Rental income | 13 | 1,697,331 | 2,898,245 | 28,626 | 17,950 | 1,725,957 | 2,916,195 |
| Interest income | | 2,222,440 | 2,465,710 | 3,240,519 | 3,146,988 | 5,462,959 | 5,612,698 |
| Workshops/seminars | 5 | 271,269 | 101,434 | 15,299 | 2,299 | 286,568 | 103,733 |
| Consultancy/project management | 5 | 61,185 | 55,413 | – | – | 61,185 | 55,413 |
| Commission/royalties/consignment | 5 | 184,000 | 115,672 | 18,734 | 9,403 | 202,734 | 125,075 |
| Others | 5 | 828,534 | 824,280 | 34,547 | 48,187 | 863,081 | 872,467 |
| | | 15,713,922 | 12,479,420 | 5,852,433 | 3,995,813 | 21,566,355 | 16,475,233 |
| Other gains | 6 | 1,393,796 | 19 | – | – | 1,393,796 | 19 |
| Operating expenditure | | | | | | | |
| Employee benefits expense | 4 | (37,267,876) | (36,774,014) | (3,982,511) | (3,768,797) | (41,250,387) | (40,542,811) |
| Amortisation charge for prepaid lease | | – | (106,250) | – | – | – | (106,250) |
| Depreciation of property, plant and equipment | 12 | (9,246,964) | (10,228,998) | (5,311,981) | (5,425,169) | (14,558,945) | (15,654,167) |
| Depreciation of right-of-use assets | 13 | (8,964,705) | – | – | – | (8,964,705) | – |
| Rental of premises/equipment | 13 | (1,708,288) | (10,607,273) | (389,641) | (398,610) | (2,097,929) | (11,005,883) |
| Maintenance and other property expenses | | (12,521,443) | (13,701,313) | (3,875,934) | (2,254,865) | (16,397,377) | (15,956,178) |
| Exhibition expenses | | (8,000,267) | (8,371,317) | (1,313,184) | (1,113,249) | (9,313,451) | (9,484,566) |
| Other services and fees | | (13,778,448) | (11,105,547) | (1,341,980) | (1,242,224) | (15,120,428) | (12,347,771) |
| Outreach, publicity and public relations | | (20,790,865) | (16,375,899) | (1,913,483) | (1,912,317) | (22,704,348) | (18,288,216) |
| Staff welfare and development | | (1,716,967) | (1,777,067) | (65,506) | (75,516) | (1,782,473) | (1,852,583) |
| General and administrative expenses | | (4,886,701) | (4,960,208) | (689,112) | (885,942) | (5,575,813) | (5,846,150) |
| Property, plant and equipment written off | | (247,632) | (13,319) | – | – | (247,632) | (13,319) |
| Heritage materials written off | 14 | (143,780) | – | – | – | (143,780) | – |
| Grant expenses | | (1,843,178) | (2,458,567) | – | – | (1,843,178) | (2,458,567) |
| Board members' allowances | 4 | (262,539) | (222,188) | – | – | (262,539) | (222,188) |
| Total operating expenditure | | (121,379,653) | (116,701,960) | (18,883,332) | (17,076,689) | (140,262,985) | (133,778,649) |
| Deficit before grants | | (104,271,935) | (104,222,521) | (13,030,899) | (13,080,876) | (117,302,834) | (117,303,397) |
| Grants | | | | | | | |
| Deferred capital grants amortised | 19 | 5,288,052 | 5,671,777 | 2,238,585 | 2,252,656 | 7,526,637 | 7,924,433 |
| Grants received | 17 | 99,095,581 | 95,879,959 | 14,032,833 | 13,975,208 | 113,128,414 | 109,855,167 |
| | | 104,383,633 | 101,551,736 | 16,271,418 | 16,227,864 | 120,655,051 | 117,779,600 |
| Surplus/(deficit) before income tax | | 111,698 | (2,670,785) | 3,240,519 | 3,146,988 | 3,352,217 | 476,203 |
| Income tax expense | | – | – | – | – | – | – |
| Net surplus/(deficit) | 7 | 111,698 | (2,670,785) | 3,240,519 | 3,146,988 | 3,352,217 | 476,203 |
| Other comprehensive income | | | | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | | | | |
| Grants for heritage materials | 21 | 616,393 | 1,201,924 | – | – | 616,393 | 1,201,924 |
| Total comprehensive income | | 728,091 | (1,468,861) | 3,240,519 | 3,146,988 | 3,968,610 | 1,678,127 |
| Adjusted net (deficit)/surplus | 7 | (2,256,190) | (3,186,682) | 3,240,519 | 3,146,988 | 984,329 | (39,694) |

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

National Heritage Board and its Subsidiaries

Balance sheets As at 31 March 2020

| | Note | Group | | Board | |
|--|------|----------------------|----------------------|----------------------|--------------------|
| | | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 401,022,791 | 317,164,070 | 391,973,467 | 308,004,174 |
| Other receivables, deposits and prepayments | 9 | 15,903,875 | 67,570,209 | 15,816,958 | 67,532,372 |
| Lease receivables | 13 | 1,592,410 | – | 1,592,410 | – |
| Investments | 15 | 4,270,750 | – | 4,270,750 | – |
| Inventories | | 122,989 | 125,450 | – | – |
| | | 422,912,815 | 384,859,729 | 413,653,585 | 375,536,546 |
| Non-current assets | | | | | |
| Subsidiaries | 10 | – | – | 2 | 2 |
| Prepaid lease | 11 | – | 442,708 | – | 442,708 |
| Property, plant and equipment | 12 | 74,713,649 | 75,163,687 | 74,711,349 | 75,157,131 |
| Right-of-use assets | 13 | 13,142,709 | – | 13,142,709 | – |
| Heritage materials | 14 | 508,056,422 | 499,614,414 | 506,723,001 | 498,306,153 |
| Philatelic materials | | 2,534 | 2,534 | – | – |
| Investments | 15 | 35,856,077 | 40,289,435 | 35,856,077 | 40,289,435 |
| Lease receivables | 13 | 867,815 | – | 867,815 | – |
| | | 632,639,206 | 615,512,778 | 631,300,953 | 614,195,429 |
| Total assets | | 1,055,552,021 | 1,000,372,507 | 1,044,954,538 | 989,731,975 |
| EQUITY AND LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Other payables | 16 | 37,783,714 | 30,809,889 | 37,293,237 | 30,229,702 |
| Lease liabilities | 13 | 8,733,955 | – | 8,733,955 | – |
| Grants received in advance | 17 | 123,313,448 | 115,507,954 | 121,874,765 | 113,786,452 |
| Deferred donations | 18 | 20,216,362 | 12,485,675 | 20,216,362 | 12,485,675 |
| | | 190,047,479 | 158,803,518 | 188,118,319 | 156,501,829 |
| Net current assets | | 232,865,336 | 226,056,211 | 225,535,266 | 219,034,717 |
| Non-current liabilities | | | | | |
| Deferred capital grants | 19 | 33,820,630 | 39,426,620 | 33,818,190 | 39,421,456 |
| Lease liabilities | 13 | 4,597,559 | – | 4,597,559 | – |
| | | 38,418,189 | 39,426,620 | 38,415,749 | 39,421,456 |
| Total liabilities | | 228,465,668 | 198,230,138 | 226,534,068 | 195,923,285 |
| Net assets | | 827,086,353 | 802,142,369 | 818,420,470 | 793,808,690 |
| Capital and reserves | | | | | |
| Capital account | 20 | 400,686,681 | 381,446,681 | 400,686,681 | 381,446,681 |
| Heritage capital reserve | 21 | 378,611,961 | 375,470,492 | 375,316,528 | 372,200,219 |
| Accumulated surplus | | | | | |
| - General fund – others | | 28,847,962 | 29,393,938 | 24,211,827 | 25,064,847 |
| - General fund – donated property, plant and equipment | | 7,215,420 | 7,347,448 | 6,904,505 | 7,036,533 |
| - Restricted funds | 22 | 11,724,329 | 8,483,810 | 11,300,929 | 8,060,410 |
| | | 827,086,353 | 802,142,369 | 818,420,470 | 793,808,690 |
| Net assets of trust funds | 23 | 1,355 | – | 3,885,513 | 3,828,043 |

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

National Heritage Board and its Subsidiaries

Statement of changes in capital and reserves For the financial year ended 31 March 2020

| Group | Note | Capital account \$ | Heritage capital reserve \$ | Accumulated surplus | | | Total \$ |
|--------------------------------------|------|--------------------------|--------------------------------------|-----------------------------------|--|---------------------------------------|--------------------|
| | | | | General fund - others \$ | General fund - donated property, plant and equipment* \$ | Restricted fund (Note 22) \$ | |
| 2020 | | | | | | | |
| At 31 March 2019 | | 381,446,681 | 375,470,492 | 29,393,938 | 7,347,448 | 8,483,810 | 802,142,369 |
| Effect of adoption of SB-FRS 116 | | – | – | 1,403,170 | – | – | 1,403,170 |
| At 1 April 2019 | | 381,446,681 | 375,470,492 | 30,797,108 | 7,347,448 | 8,483,810 | 803,545,539 |
| Total comprehensive income | | – | 616,393 | (1,949,146) | 2,393,048 | 3,240,519 | 4,300,814 |
| Issuance of share capital | 20 | 19,240,000 | – | – | – | – | 19,240,000 |
| Transfer to heritage capital reserve | 21 | – | 2,668,856 | – | (2,668,856) | – | – |
| Heritage material written off | 21 | – | (143,780) | – | 143,780 | – | – |
| At 31 March 2020 | | 400,686,681 | 378,611,961 | 28,847,962 | 7,215,420 | 11,724,329 | 827,086,353 |
| 2019 | | | | | | | |
| At 1 April 2018 | | 367,419,181 | 372,517,800 | 31,796,375 | 8,582,319 | 5,336,822 | 785,652,497 |
| Total comprehensive income | | – | 1,201,924 | (2,402,437) | 515,897 | 3,146,988 | 2,462,372 |
| Issuance of share capital | 20 | 14,027,500 | – | – | – | – | 14,027,500 |
| Transfer to heritage capital reserve | 21 | – | 1,750,768 | – | (1,750,768) | – | – |
| At 31 March 2019 | | 381,446,681 | 375,470,492 | 29,393,938 | 7,347,448 | 8,483,810 | 802,142,369 |

* As at 31 March 2020 and 2019, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

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

National Heritage Board and its Subsidiaries

Statement of changes in capital and reserves For the financial year ended 31 March 2020

| | Note | Capital account \$ | Heritage capital reserve \$ | Accumulated surplus | | | Total \$ |
|--|------|--------------------------|--------------------------------------|-----------------------------------|--|---------------------------------------|--------------------|
| | | | | General fund - others \$ | General fund - donated property, plant and equipment* \$ | Restricted fund (Note 22) \$ | |
| Board | | | | | | | |
| 2020 | | | | | | | |
| At 31 March 2019 | | 381,446,681 | 372,200,219 | 25,064,847 | 7,036,533 | 8,060,410 | 793,808,690 |
| Effect of adoption of SB-FRS 116 | | – | – | 1,403,170 | – | – | 1,403,170 |
| At 1 April 2019 | | 381,446,681 | 372,200,219 | 26,468,017 | 7,036,533 | 8,060,410 | 795,211,860 |
| Total comprehensive income | | – | 616,393 | (2,256,190) | 2,367,888 | 3,240,519 | 3,968,610 |
| Issuance of share capital | 20 | 19,240,000 | – | – | – | – | 19,240,000 |
| Transfer to heritage capital reserve | 21 | – | 2,643,696 | – | (2,643,696) | – | – |
| Heritage material written off | 21 | – | (143,780) | – | 143,780 | – | – |
| At 31 March 2020 | | 400,686,681 | 375,316,528 | 24,211,827 | 6,904,505 | 11,300,929 | 818,420,470 |
| 2019 | | | | | | | |
| At 1 April 2018 | | 367,419,181 | 369,247,527 | 28,251,529 | 8,271,404 | 4,913,422 | 778,103,063 |
| Total comprehensive income | | – | 1,201,924 | (3,186,682) | 515,897 | 3,146,988 | 1,678,127 |
| Issuance of share capital | 20 | 14,027,500 | – | – | – | – | 14,027,500 |
| Transfer to heritage capital reserve | 21 | – | 1,750,768 | – | (1,750,768) | – | – |
| At 31 March 2019 | | 381,446,681 | 372,200,219 | 25,064,847 | 7,036,533 | 8,060,410 | 793,808,690 |

* As at 31 March 2020 and 2019, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

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

National Heritage Board and its Subsidiaries

Consolidated statement of cash flows For the financial year ended 31 March 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|----------------------|----------------------|
| Operating activities | | | |
| Deficit before grants | | (117,573,354) | (116,545,452) |
| <u>Adjustments for:</u> | | | |
| Depreciation of property, plant and equipment | 12 | 14,563,201 | 15,682,001 |
| Depreciation of right-of use assets | 13 | 8,964,705 | – |
| Cash donations | | (3,212,399) | (1,600,266) |
| Donated heritage materials | | (2,641,745) | (1,720,592) |
| Cash donations for property, plant and equipment/heritage materials | | (1,083,882) | (77,164) |
| Interest income | | (5,609,421) | (5,718,350) |
| Interest expense | | 438,710 | – |
| Heritage materials written off | 14 | 143,780 | – |
| Gain on disposal of property, plant and equipment | 6 | (1,379) | (19) |
| Gain on sublease | 6 | (1,392,417) | – |
| Property, plant and equipment written off | | 247,632 | 13,319 |
| Amortisation of prepaid lease | | – | 106,250 |
| Operating cash flow before changes in working capital | | (107,156,569) | (109,860,273) |
| <u>Changes in working capital</u> | | | |
| Inventories | | 2,461 | 1,933 |
| Other receivables, deposits and prepayments | | 50,529,780 | (32,532,263) |
| Other payables | | 6,973,825 | 1,511,715 |
| Net cash flows used in operating activities | | (49,650,503) | (140,878,888) |
| Investing activities | | | |
| Acquisition of heritage materials | | (5,944,043) | (5,239,014) |
| Acquisition of property, plant and equipment | 12 | (14,360,795) | (7,582,343) |
| Interest received | | 6,850,572 | 3,784,649 |
| Proceeds from disposal of property, plant and equipment | | 1,379 | 19 |
| Proceeds from lease receivables | | 1,054,144 | – |
| Acquisition of investments | | – | (40,706,397) |
| Net cash flows used in investing activities | | (12,398,743) | (49,743,086) |
| Financing activities | | | |
| Issuance of share capital | 20 | 19,240,000 | 14,027,500 |
| Grants received | 17 | 124,073,672 | 126,494,678 |
| Donations received | 18 | 12,026,968 | 6,460,165 |
| Repayment of principal portion of lease liabilities | | (8,993,963) | – |
| Interest paid on lease liabilities | | (438,710) | – |
| Net cash flows from financing activities | | 145,907,967 | 146,982,343 |
| Net increase/(decrease) in cash and cash equivalents | | 83,858,721 | (43,639,631) |
| Cash and cash equivalents at 1 April | | 317,164,070 | 360,803,701 |
| Cash and cash equivalents at 31 March | 8 | 401,022,791 | 317,164,070 |

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

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

1. General information

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

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

The principal activities of the Board are:

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

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

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

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

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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 and building 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. On 1 April 2019, the prepaid lease was reclassified to right-of-use assets upon the adoption of SB-FRS116 *Leases* (Note 13).

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the provisions of the NHB Act, the Public Sector (Governance) Act 2018 and SB-FRS, including interpretation of SB-FRS ("INT SB-FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

2.2 *Adoption of new and revised standards*

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 SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are relevant to its operations and are effective for annual financial periods beginning on or after 1 April 2019. Except for the adoption of SB-FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Board.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards (continued)

SB-FRS 116 Leases

SB-FRS 116 supersedes SB-FRS 17 *Leases*, INT SB-FRS 104 *Determining whether an Arrangement contains a Lease*, INT SB-FRS 15 *Operating Leases-Incentives* and INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted SB-FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SB-FRS 17 and INT SB-FRS 104 at the date of initial application.

In addition, the Group elected the following practical expedients:

- apply the exemption not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effects of adopting SB-FRS 116 as at 1 April 2019 on the balance sheets were as follows:

| | Increase/ (decrease) \$ |
|---------------------|---------------------------------------|
| Right-of-use assets | 15,001,230 |
| Prepaid lease | (442,708) |
| Lease receivables | 1,569,577 |
| Lease liabilities | 14,724,929 |
| Accumulated surplus | <u>1,403,170</u> |

The Group has lease contracts for leasehold land and buildings, offices and warehouses, motor vehicles and others. Before the adoption of SB-FRS 116, the Group classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.9.

The Group also has subleases for its buildings. As an intermediate lessor, the Group recognised lease receivables and correspondingly derecognised the right-of-use assets on adoption of SB-FRS 116.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and revised standards (continued)

SB-FRS 116 Leases

Upon adoption of SB-FRS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.9. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised at an amount equal to the lease liabilities, which were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

| | Group and Board |
|--|------------------------|
| | \$ |
| Operating lease commitments as at 31 March 2019 | 23,505,797 |
| Weighted average incremental borrowing rate as at 1 April 2019 | 3.20% |
| Discounted operating lease commitments as at 31 March 2019 | 16,268,073 |
| Less: | |
| Commitments relating to short-term leases | (1,531,475) |
| Commitments relating to leases of low-value assets | (11,669) |
| Lease liabilities as at 1 April 2019 | <u>14,724,929</u> |

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 |
|---|---|
| Amendments to References to the Conceptual Framework in SB-FRS Standards | 1 January 2020 |
| Amendments to SB-FRS 1 and SB-FRS 8 <i>Definition of Material</i> | 1 January 2020 |
| Amendments to SB-FRS 109, SB-FRS 39 and SB-FRS 107: <i>Interest Rate Benchmark Reform</i> | 1 January 2020 |
| Amendments to SB-FRS 116 <i>Covid-19-Related Rent Concessions</i> | 1 June 2020 |

The Group expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

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.

2.5 Foreign currencies

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

Transactions and balances

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

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

2.6 Revenue recognition

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

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

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.6 Revenue recognition (continued)

(a) *Admission fees*

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

(b) *Rental income*

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

(c) *Income from rendering of consultancy services and project management*

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

(d) *Contributions/Sponsorships-in-kind*

Contributions/sponsorships-in-kind (other than those for capital expenditure and heritage materials) refer to contributions such as advertising space and venues for events. Contributions/sponsorships-in-kind are measured at the fair value of the contributions received and are recognised as income when the rights to receive the contributions/sponsorships-in-kind have been established.

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Donations*

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

Donations with restrictions and/or conditions attached are recognised as income if the restrictions and conditions are under the Group's purview and it is probable that these restrictions and conditions would be met. Otherwise, these donations are recognised and taken to the "deferred donations" account until the above criteria are fulfilled or when the restrictions and/or conditions are met.

(g) *Workshops/seminars*

Fees in relation to workshops/seminars are recognised over the duration of the workshops/seminars.

(h) *Commission/royalties/consignment*

Revenue in relation to commission/royalties/consignment is recognised at a point in time, upon the sale of merchandise.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

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 Leases

These accounting policies are applied on an after the initial application date of SB-FRS 116 on 1 April 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.9 Leases (continued)

As lessee (continued)

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.14.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.9 Leases (continued)

Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Lease Receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from the sublease in profit or loss within "Rental income". The right-of-use asset relating to the head lease is not derecognised.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.6.

These accounting policies are applied before the initial application date of SB-FRS 116, 1 April 2019:

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

The accounting policy applicable to the Group as a lessor in the comparative period was the same as under SB-FRS 116.

Prepaid lease represents payments in advance for the rights to use land for an agreed period. It is stated at cost less accumulated amortisation and impairment losses. The amount prepaid are amortised on a straight-line basis over the lease term of 8 years.

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.

National Heritage Board and its Subsidiaries

Notes to the financial statements

For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.11 *Heritage materials*

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

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

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

Heritage capital reserve

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

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

Donated heritage materials and cash donations utilised to purchase heritage materials are recognised in the statement of comprehensive income and directly into "general fund" in the statement of changes in capital and reserves. The amount is subsequently reclassified to heritage capital reserve in the statement of changes in capital and reserves. The impact is disclosed in Note 21.

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.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.12 *Property, plant and equipment (continued)*

(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.

(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 *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. Summary of significant accounting policies (continued)

2.14 *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.

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.

2.15 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

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

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

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

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.15 *Financial instruments*

(a) *Financial assets*

Subsequent measurement

Investments in debt instruments

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

Amortised cost

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

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2. Summary of significant accounting policies (continued)

2.16 *Impairment of financial assets*

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

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

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

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

2.17 *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.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (continued)

2.18 *Income tax*

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.

2.19 *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 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.

2.20 *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.

2.21 *Funds*

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

(a) *General Fund*

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

(b) *Restricted Funds*

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

2.22 *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.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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 donated heritage materials would differ if the Group made different judgements resulting in different valuations being determined.

4. Employee benefits expense and board members' allowance

(a) Employee benefit expenses

| | Group | | Board | |
|---|-------------------|------------|-------------------|------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| Wages and salaries | 36,938,142 | 36,641,488 | 35,957,409 | 35,424,575 |
| Employer's contribution to Central Provident Fund | 5,366,288 | 5,245,375 | 5,269,882 | 5,114,454 |
| Other benefits | 23,096 | 3,782 | 23,096 | 3,782 |
| | 42,327,526 | 41,890,645 | 41,250,387 | 40,542,811 |

(b) Board members' allowance

| Position | Group and Board | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2020 \$ | 2020 \$ | 2019 \$ | 2019 \$ |
| | Allowance per annum Main Board | Allowance per annum Sub-boards | Allowance per annum Main Board | Allowance per annum Sub-boards |
| Chairman of the Board | 33,750 | – | 22,500 | – |
| Chairman of Audit Committee | 25,315 | – | 16,875 | – |
| Member of Audit Committee and Chairman of Sub-boards | 16,875 | 16,875 | 11,250 | 5,625 |
| Member | 8,440 | 4,220 | 5,625 | 2,813 |

The National Heritage Board (referred to as "Main Board") has three (2019: three) Sub-boards, namely Asian Civilisations Museum Advisory Board, National Museum of Singapore Advisory Board and Preservation of Sites and Monuments Advisory Board (referred to as "Sub-boards").

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

5. Income

Timing of transfer of goods or services

| Group | At a point in time | | Over time | | Total | |
|---|--------------------|------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Contributions/ sponsorships-in-kind | – | – | 2,446,672 | – | 2,446,672 | – |
| Admission fees | 3,924,333 | 3,763,390 | – | – | 3,924,333 | 3,763,390 |
| Workshops/seminars | – | – | 453,231 | 282,465 | 453,231 | 282,465 |
| Consultancy/project management | – | – | 183,985 | 935,258 | 183,985 | 935,258 |
| Commission/royalties /consignment | 209,400 | 210,570 | – | – | 209,400 | 210,570 |
| Sales at Singapore Philatelic Museum | 4,202 | 74,648 | – | – | 4,202 | 74,648 |
| Others | 880,835 | 928,830 | – | – | 880,835 | 928,830 |
| | 5,018,770 | 4,977,438 | 3,083,888 | 1,217,723 | 8,102,658 | 6,195,161 |

| Board | At a point in time | | Over time | | Total | |
|--|--------------------|------------------|------------------|----------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Contributions/ sponsorships-in-kind | – | – | 2,446,672 | – | 2,446,672 | – |
| Admission fees | 3,924,333 | 3,711,327 | – | – | 3,924,333 | 3,711,327 |
| Workshops/seminars | – | – | 286,568 | 103,733 | 286,568 | 103,733 |
| Consultancy/project management | – | – | 61,185 | 55,413 | 61,185 | 55,413 |
| Commission/royalties /consignment | 202,734 | 125,075 | – | – | 202,734 | 125,075 |
| Others | 863,081 | 872,467 | – | – | 863,081 | 872,467 |
| | 4,990,148 | 4,708,869 | 2,794,425 | 159,146 | 7,784,573 | 4,868,015 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

6. Other gains

| | Group | | Board | |
|---|------------------|-----------|------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Gain on sublease | 1,392,417 | – | 1,392,417 | – |
| Gain on disposal of property, plant and equipment | 1,379 | 19 | 1,379 | 19 |
| | 1,393,796 | 19 | 1,393,796 | 19 |

7. Adjusted net (deficit)/surplus

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

| | General fund | | Restricted funds | | Total | |
|---|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Group | | | | | | |
| Net surplus/(deficit) | 443,902 | (1,886,540) | 3,240,519 | 3,146,988 | 3,684,421 | 1,260,448 |
| (Less)/Add: | | | | | | |
| Donations relating to heritage materials | | | | | | |
| – Donated heritage materials | (2,641,745) | (1,720,592) | – | – | (2,641,745) | (1,720,592) |
| – Funded by cash donations | (27,111) | (30,176) | – | – | (27,111) | (30,176) |
| – Write-offs | 143,780 | – | – | – | 143,780 | – |
| | (2,525,076) | (1,750,768) | – | – | (2,525,076) | (1,750,768) |
| Donations relating to property, plant and equipment (net of depreciation) | | | | | | |
| – Funded by cash donations | (1,056,771) | (46,988) | – | – | (1,056,771) | (46,988) |
| – Depreciation charged for the year | 1,188,799 | 1,281,859 | – | – | 1,188,799 | 1,281,859 |
| | 132,028 | 1,234,871 | – | – | 132,028 | 1,234,871 |
| Adjusted net (deficit)/surplus | (1,949,146) | (2,402,437) | 3,240,519 | 3,146,988 | 1,291,373 | 744,551 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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

| | General fund | | Restricted funds | | Total | |
|---|--------------------|--------------------|------------------|------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | |
| Net surplus/(deficit) | 111,698 | (2,670,785) | 3,240,519 | 3,146,988 | 3,352,217 | 476,203 |
| (Less)/Add: | | | | | | |
| Donations relating to heritage materials | | | | | | |
| – Donated heritage materials | (2,616,585) | (1,720,592) | – | – | (2,616,585) | (1,720,592) |
| – Funded by cash donations | (27,111) | (30,176) | – | – | (27,111) | (30,176) |
| – Write-offs | 143,780 | – | – | – | 143,780 | – |
| | (2,499,916) | (1,750,768) | – | – | (2,499,916) | (1,750,768) |
| Donations relating to property, plant and equipment (net of depreciation) | | | | | | |
| – Funded by cash donations | (1,056,771) | (46,988) | – | – | (1,056,771) | (46,988) |
| – Depreciation charged for the year | 1,188,799 | 1,281,859 | – | – | 1,188,799 | 1,281,859 |
| | 132,028 | 1,234,871 | – | – | 132,028 | 1,234,871 |
| Adjusted net (deficit)/surplus | (2,256,190) | (3,186,682) | 3,240,519 | 3,146,988 | 984,329 | (39,694) |

8. Cash and cash equivalents

| | Group | | Board | |
|--|--------------------|-------------|--------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Cash and bank balances | 20,143,293 | 13,842,340 | 19,895,954 | 13,296,078 |
| Cash managed by AGD through Centralised Liquidity Management | 317,944,743 | 110,415,330 | 316,514,923 | 109,182,520 |
| Fixed deposits | 62,934,755 | 192,906,400 | 55,562,590 | 185,525,576 |
| | 401,022,791 | 317,164,070 | 391,973,467 | 308,004,174 |

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".

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

8. Cash and cash equivalents (continued)

The weighted average effective interest rate of fixed deposits for the Board and the Group at the reporting date was 2.0% (2019: 1.8%) and 2.0% (2019: 1.8%) per annum respectively. The fixed deposits mature at varying periods.

9. Other receivables, deposits and prepayments

| | Group | | Board | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Grants receivables | 12,459,513 | 61,892,201 | 12,419,608 | 61,892,201 |
| Interest receivables | 1,509,972 | 2,646,526 | 1,483,557 | 2,631,078 |
| Other receivables | 369,248 | 855,033 | 357,374 | 840,572 |
| GST receivables | 747,577 | 979,366 | 747,577 | 979,366 |
| Deposits | 477,939 | 453,653 | 476,399 | 451,613 |
| Other receivables and deposits | 15,564,249 | 66,826,779 | 15,484,515 | 66,794,830 |
| Prepayments | 339,626 | 743,430 | 332,443 | 737,542 |
| | 15,903,875 | 67,570,209 | 15,816,958 | 67,532,372 |

Expected credit losses

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

| | Group and Board | |
|---------------------------------|-----------------|-----------|
| | 2020 | 2019 |
| | \$ | \$ |
| Movement in allowance accounts: | | |
| At 1 April | – | 118,800 |
| Written off | – | (118,800) |
| At 31 March | – | – |

In the previous financial year, as the debtor was in severe financial difficulty and the debtor has no realistic prospect of recovery, the amount was written off according to the Group's write off policy (Note 28b).

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

10. Subsidiaries

| | Board | |
|-----------------------------------|-------|------|
| | 2020 | 2019 |
| | \$ | \$ |
| 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 | |
|--|----------------------|--|--------------------------------------|-----------|
| | | | 2020 % | 2019 % |
| Singapore Philatelic Museum # ^o | 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

^o Limited by guarantee with no share capital

11. Prepaid lease

| | Group and Board | |
|---------------|-----------------|---------|
| | 2020 | 2019 |
| | \$ | \$ |
| Prepaid lease | – | 442,708 |

Prepaid lease relates to lease payments made in advance for the use of the land on which the Singapore Philatelic Museum resides. The amount has been reclassified to right-of-use assets upon the adoption of SB-FRS 116.

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

12. Property, plant and equipment

| | Leasehold building and improvements \$ | Mechanical and electrical equipment \$ | Audio visual and micrographic equipment \$ | Furniture, fittings and office equipment \$ | Computers \$ | Work-in- progress \$ | Total \$ |
|----------------------------------|---|---|--|---|------------------|----------------------------|--------------------|
| Group | | | | | | | |
| 2020 | | | | | | | |
| Cost: | | | | | | | |
| At 1 April 2019 | 333,172,242 | 1,737,977 | 1,684,118 | 22,891,834 | 10,043,308 | 3,171,573 | 372,701,052 |
| Additions | 161,586 | 149,019 | 151,422 | 266,288 | 451,990 | 13,180,490 | 14,360,795 |
| Transfer from work-in-progress | 2,788,155 | 1,388,970 | 213,889 | 1,220,620 | 377,154 | (5,988,788) | – |
| Disposals | – | – | (38,027) | (18,058) | – | – | (56,085) |
| Write-offs | (9,553,625) | (248,938) | (51,654) | (1,509,294) | (3,464,836) | – | (14,828,347) |
| At 31 March 2020 | 326,568,358 | 3,027,028 | 1,959,748 | 22,851,390 | 7,407,616 | 10,363,275 | 372,177,415 |
| Accumulated depreciation: | | | | | | | |
| At 1 April 2019 | 270,671,427 | 1,426,861 | 1,028,197 | 16,015,092 | 8,395,788 | – | 297,537,365 |
| Depreciation charge | 11,501,420 | 125,312 | 142,454 | 1,938,305 | 855,710 | – | 14,563,201 |
| Disposals | – | – | (38,027) | (18,058) | – | – | (56,085) |
| Write-offs | (9,553,625) | (248,938) | (51,654) | (1,500,621) | (3,225,877) | – | (14,580,715) |
| At 31 March 2020 | 272,619,222 | 1,303,235 | 1,080,970 | 16,434,718 | 6,025,621 | – | 297,463,766 |
| Net carrying amount: | | | | | | | |
| At 31 March 2020 | 53,949,136 | 1,723,793 | 878,778 | 6,416,672 | 1,381,995 | 10,363,275 | 74,713,649 |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

12. Property, plant and equipment (continued)

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

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

12. Property, plant and equipment (continued)

| | Leasehold building and improvements \$ | Mechanical and electrical equipment \$ | Audio visual and micrographic equipment \$ | Furniture, fittings and office equipment \$ | Computers \$ | Work-in- progress \$ | Total \$ |
|----------------------------------|---|---|--|---|------------------|----------------------------|--------------------|
| Board | | | | | | | |
| 2020 | | | | | | | |
| Cost: | | | | | | | |
| At 1 April 2019 | 332,783,299 | 1,677,644 | 1,684,118 | 21,601,400 | 10,016,507 | 3,171,573 | 370,934,541 |
| Additions | 161,586 | 149,019 | 151,422 | 266,288 | 451,990 | 13,180,490 | 14,360,795 |
| Transfer from work-in-progress | 2,788,155 | 1,388,970 | 213,889 | 1,220,620 | 377,154 | (5,988,788) | – |
| Disposals | – | – | (38,027) | (18,058) | – | – | (56,085) |
| Write-offs | (9,164,682) | (248,938) | (51,654) | (793,778) | (3,464,836) | – | (13,723,888) |
| At 31 March 2020 | 326,568,358 | 2,966,695 | 1,959,748 | 22,276,472 | 7,380,815 | 10,363,275 | 371,515,363 |
| Accumulated depreciation: | | | | | | | |
| At 1 April 2019 | 270,282,484 | 1,366,528 | 1,028,197 | 14,728,830 | 8,371,371 | – | 295,777,410 |
| Depreciation charge | 11,501,420 | 125,312 | 142,454 | 1,935,293 | 854,466 | – | 14,558,945 |
| Disposals | – | – | (38,027) | (18,058) | – | – | (56,085) |
| Write-offs | (9,164,682) | (248,938) | (51,654) | (785,105) | (3,225,877) | – | (13,476,256) |
| At 31 March 2020 | 272,619,222 | 1,242,902 | 1,080,970 | 15,860,960 | 5,999,960 | – | 296,804,014 |
| Net carrying amount: | | | | | | | |
| At 31 March 2020 | 53,949,136 | 1,723,793 | 878,778 | 6,415,512 | 1,380,855 | 10,363,275 | 74,711,349 |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

12. Property, plant and equipment (continued)

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

The cost of property, plant and equipment that has been fully depreciated for the Group and the Board as at 31 March 2020 was \$239,324,089 (2019: \$233,370,264) and \$238,674,531 (2019: \$231,625,811) respectively.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

13. Leases

As lessee

The Group has lease contracts for leasehold land and buildings, offices and warehouses, motor vehicles and others.

The Group has certain leases with lease terms of 12 months or less and leases of low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases

(a) *Carrying amounts of right-of-use assets*

| | Leasehold land and buildings | Offices and warehouses | Motor vehicles and others | Total |
|-------------------------------------|---|-----------------------------------|--------------------------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Group and Board Cost | | | | |
| At 1 April 2019 | 13,804,881 | 1,579,047 | 24,594 | 15,408,522 |
| Additions | 2,884,143 | 4,222,041 | – | 7,106,184 |
| At 31 March 2020 | 16,689,024 | 5,801,088 | 24,594 | 22,514,706 |
| Accumulated depreciation | | | | |
| At 1 April 2019 | 407,292 | – | – | 407,292 |
| Depreciation charge | 6,898,039 | 2,058,334 | 8,332 | 8,964,705 |
| At 31 March 2020 | 7,305,331 | 2,058,334 | 8,332 | 9,371,997 |
| Net carrying amount | | | | |
| At 31 March 2020 | 9,383,693 | 3,742,754 | 16,262 | 13,142,709 |

National Heritage Board and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

13. Leases (continued)

As lessee (continued)

(b) *Lease liabilities*

The carrying amounts of lease liabilities and the movements during the year are disclosed as follow:

| | Group and Board 2020 |
|-----------------------|---------------------------------|
| | \$ |
| At 1 April | 14,724,929 |
| Additions | 7,600,548 |
| Accretion of interest | 438,710 |
| Payments | (9,432,673) |
| | <hr/> |
| At 31 March | 13,331,514 |
| | <hr/> |
| Current | 8,733,955 |
| Non-current | 4,597,559 |
| | <hr/> |
| | 13,331,514 |
| | <hr/> |

The maturity analysis of lease liabilities is disclosed in Note 28.

(c) *Amounts recognised in profit or loss*

| | 2020 | |
|---|-------------------|-------------------|
| | Group | Board |
| | \$ | \$ |
| Depreciation of right-of-use assets | 8,964,705 | 8,964,705 |
| Interest expense on lease liabilities | 438,710 | 438,710 |
| Lease expenses not capitalised in lease liabilities | | |
| - Expense relating to short-term leases | 1,733,521 | 1,733,521 |
| - Expenses relating to leases of low-value assets | 397,062 | 364,408 |
| | <hr/> | <hr/> |
| Total amount recognised in profit or loss | 11,533,998 | 11,501,344 |
| | <hr/> | <hr/> |

(d) *Total cash outflow*

The Group has total cash outflow for leases of \$11,124,546 in 2020, which included principal repayments of \$8,993,963.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

13. Leases (continued)

As intermediate lessor

The Group's has entered into subleases on certain premises. The lease terms of these subleases constitute a major part of tenure of the head lease and accordingly, these subleases are classified as finance leases. The net investment in the sub-lease is recognised under "Lease receivables".

The following table shows the maturity analysis of the undiscounted lease payments to be received:

| | Group and Board 2020 \$ |
|---|--|
| Within one year | 1,647,916 |
| After one year but not more than five years | 883,351 |
| Total undiscounted lease payments | 2,531,267 |
| Less: Unearned interest income | (71,042) |
| Net investment in finance lease | 2,460,225 |
| Current | 1,592,410 |
| Non-current | 867,815 |
| | 2,460,225 |

The following are the amounts recognised in profit or loss:

| | Group and Board 2020 \$ |
|---|--|
| Interest income on lease receivables | 58,011 |
| Gain on sublease | 1,392,417 |
| Rental income relating to short-term leases | 1,725,957 |
| Total amount recognised in profit or loss | 3,176,385 |

The Group had total cash inflows for finance lease receivables of \$1,054,144 in 2020.

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

14. Heritage materials

| | Asian Civilisations Museum \$ | National Museum of Singapore \$ | Singapore Art Museum \$ | National Gallery Singapore \$ | Heritage institution \$ | Art Bank Scheme/ Government Institution Scheme \$ | Philatelic collection \$ | Total \$ |
|------------------|--|--|-------------------------------|--|-------------------------------|--|--------------------------------|--------------------|
| Group | | | | | | | | |
| 2020 | | | | | | | | |
| At 1 April 2019 | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 1,308,261 | 499,614,414 |
| Additions | 3,216,659 | 1,891,564 | 1,381,491 | 2,069,911 | 1,003 | – | 25,160 | 8,585,788 |
| Write-offs | (5,975) | (135,090) | – | (1,200) | – | (1,515) | – | (143,780) |
| At 31 March 2020 | 208,298,495 | 42,074,767 | 175,404,984 | 67,888,226 | 10,943,792 | 2,112,737 | 1,333,421 | 508,056,422 |
| At cost | 87,458,583 | 11,927,331 | 53,333,159 | 40,887,155 | 10,737,004 | 2,112,737 | 1,208,126 | 207,664,095 |
| At valuation | 120,839,912 | 30,147,436 | 122,071,825 | 27,001,071 | 206,788 | – | 125,295 | 300,392,327 |
| | 208,298,495 | 42,074,767 | 175,404,984 | 67,888,226 | 10,943,792 | 2,112,737 | 1,333,421 | 508,056,422 |
| 2019 | | | | | | | | |
| At 1 April 2018 | 203,665,050 | 39,845,569 | 171,419,431 | 63,617,849 | 10,684,396 | 2,114,252 | 1,308,261 | 492,654,808 |
| Additions | 1,422,761 | 472,724 | 2,604,062 | 2,201,666 | 258,393 | – | – | 6,959,606 |
| At 31 March 2019 | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 1,308,261 | 499,614,414 |
| At cost | 84,552,029 | 11,664,622 | 51,951,668 | 39,495,844 | 10,741,001 | 2,114,252 | 1,208,126 | 201,727,542 |
| At valuation | 120,535,782 | 28,653,671 | 122,071,825 | 26,323,671 | 201,788 | – | 100,135 | 297,886,872 |
| | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 1,308,261 | 499,614,414 |

National Heritage Board and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

14. Heritage materials (continued)

| | Asian Civilisations Museum | National Museum of Singapore | Singapore Art Museum | National Gallery Singapore | Heritage institution | Art Bank Scheme/ Government Institution Scheme | Total |
|------------------|---|---|---------------------------------|---|---------------------------------|---|--------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | | |
| 2020 | | | | | | | |
| At 1 April 2019 | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 498,306,153 |
| Additions | 3,216,659 | 1,891,564 | 1,381,491 | 2,069,911 | 1,003 | – | 8,560,628 |
| Write-offs | (5,975) | (135,090) | – | (1,200) | – | (1,515) | (143,780) |
| At 31 March 2020 | 208,298,495 | 42,074,767 | 175,404,984 | 67,888,226 | 10,943,792 | 2,112,737 | 506,723,001 |
| At cost | 87,458,583 | 11,927,331 | 53,333,159 | 40,887,155 | 10,737,004 | 2,112,737 | 206,455,969 |
| At valuation | 120,839,912 | 30,147,436 | 122,071,825 | 27,001,071 | 206,788 | – | 300,267,032 |
| | 208,298,495 | 42,074,767 | 175,404,984 | 67,888,226 | 10,943,792 | 2,112,737 | 506,723,001 |
| 2019 | | | | | | | |
| At 1 April 2018 | 203,665,050 | 39,845,569 | 171,419,431 | 63,617,849 | 10,684,396 | 2,114,252 | 491,346,547 |
| Additions | 1,422,761 | 472,724 | 2,604,062 | 2,201,666 | 258,393 | – | 6,959,606 |
| At 31 March 2019 | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 498,306,153 |
| At cost | 84,552,029 | 11,664,622 | 51,951,668 | 39,495,844 | 10,741,001 | 2,114,252 | 200,519,416 |
| At valuation | 120,535,782 | 28,653,671 | 122,071,825 | 26,323,671 | 201,788 | – | 297,786,737 |
| | 205,087,811 | 40,318,293 | 174,023,493 | 65,819,515 | 10,942,789 | 2,114,252 | 498,306,153 |

Heritage materials are subject to write-off according to the Group's policy. During the financial year, \$143,780 had been written off and was recognised under the "Heritage materials written off" line item in the consolidated statement of comprehensive income.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

15. Investments

| | Group and Board | |
|---------------------------------|-----------------|------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Quoted bonds, at amortised cost | | |
| - Current | 4,270,750 | – |
| - Non-current | 35,856,077 | 40,289,435 |
| | 40,126,827 | 40,289,435 |

The Group has elected to measure these debt instruments at amortised cost due to the Group's intention to hold these debt instruments to maturity. The quoted bonds ranging from 2.57% to 4.30% (2019: 2.57% to 4.30%) per annum and maturity date ranging from August 2020 to August 2023 (2019: August 2020 to August 2023).

No impairment loss has been recognised for the financial year ended 31 March 2020 and 31 March 2019.

16. Other payables

| | Group | | Board | |
|-------------------------|------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Accrual for staff costs | 10,318,485 | 9,672,930 | 9,928,442 | 9,245,352 |
| Other payables | 27,465,229 | 21,136,959 | 27,364,795 | 20,984,350 |
| | 37,783,714 | 30,809,889 | 37,293,237 | 30,229,702 |

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

17. Grants received in advance

| | Operating Grants | | | |
|---|------------------|---------------|---------------|---------------|
| | Group | | Board | |
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| At 1 April | 115,507,954 | 104,356,855 | 113,786,452 | 102,983,950 |
| Grants received during the year | 124,073,672 | 126,494,678 | 123,756,491 | 126,146,083 |
| Transfer to deferred capital grants (Note 19) | (1,923,371) | (4,286,490) | (1,923,371) | (4,286,490) |
| Transfer to heritage capital reserve (Note 21) | (616,393) | (1,201,924) | (616,393) | (1,201,924) |
| Transfer to the statement of comprehensive income | (113,728,414) | (109,855,165) | (113,128,414) | (109,855,167) |
| At 31 March | 123,313,448 | 115,507,954 | 121,874,765 | 113,786,452 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

18. Deferred donations

| | Group | | Board | |
|---|-------------------|-------------|-------------------|-------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| At 1 April | 12,485,675 | 7,702,940 | 12,485,675 | 7,702,940 |
| Total donations received for the year | 12,026,968 | 6,460,165 | 11,706,968 | 6,140,468 |
| Transfer to the statement of comprehensive income | (4,296,281) | (1,677,430) | (3,976,281) | (1,357,733) |
| At 31 March | 20,216,362 | 12,485,675 | 20,216,362 | 12,485,675 |

The deferred donations at year-end relate to donations received for purposes specified by the donors such as for exhibitions or purchase of certain heritage materials. It will be recognised as income when the deferred donation is utilised. In accordance with the Charities (Institutions of a Public Character) Regulations 2007 section 11, paragraph 7, any unutilised specific donations is to be refunded to the donor or be used for purposes approved by the Sector Administrator.

Total donations received for the year comprises of the following:

| | Group | | Board | |
|--|-------------------|------------|-------------------|------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| National Heritage Fund (Note 24) | 3,404,475 | 1,584,815 | 3,404,475 | 1,584,815 |
| Preservation of Monuments Fund (Note 25) | 8,302,493 | 4,472,653 | 8,302,493 | 4,472,653 |
| Others | 320,000 | 402,697 | – | 83,000 |
| | 12,026,968 | 6,460,165 | 11,706,968 | 6,140,468 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

19. Deferred capital grants

| | Group | | Board | |
|---|--------------------|-------------|--------------------|-------------|
| | 2020 \$ | 2019 \$ | 2020 \$ | 2019 \$ |
| At 1 April | 39,426,620 | 43,090,865 | 39,421,456 | 43,059,399 |
| Transfer from grants (Note 17) | 1,923,371 | 4,286,490 | 1,923,371 | 4,286,490 |
| Amortisation of deferred capital grants | | | | |
| - Depreciation of property, plant and equipment | (7,298,608) | (7,937,416) | (7,295,884) | (7,911,114) |
| - Write-off of property, plant and equipment | (230,753) | (13,319) | (230,753) | (13,319) |
| | (7,529,361) | (7,950,735) | (7,526,637) | (7,924,433) |
| At 31 March | 33,820,630 | 39,426,620 | 33,818,190 | 39,421,456 |

20. Capital account

| | Group and Board | |
|--------------------|--------------------|-------------|
| | 2020 \$ | 2019 \$ |
| At 1 April | 381,446,681 | 367,419,181 |
| Issuance of shares | 19,240,000 | 14,027,500 |
| At 31 March | 400,686,681 | 381,446,681 |

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 19,240,000 (2019: 14,027,500) shares at \$1 each, comprising \$12,515,000 (2019: \$11,461,000) for acquisition of heritage materials and \$6,725,000 (2019: \$2,566,500) for development projects. The shares are held by the MOF, a body incorporated by the Minister for Finance (Incorporation) Act (Chapter 183, 1985 Revised Edition). The holder of shares is entitled to returns on equity from time to time.

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

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

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

21. Heritage capital reserve

| | Group | | Board | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| At 1 April | 375,470,492 | 372,517,800 | 372,200,219 | 369,247,527 |
| Current year transfer from general fund for donated heritage materials and donations utilised to purchase heritage materials | 2,668,856 | 1,750,768 | 2,643,696 | 1,750,768 |
| Grants for heritage materials (Note 17) | 616,393 | 1,201,924 | 616,393 | 1,201,924 |
| Heritage materials written off | (143,780) | – | (143,780) | – |
| | 378,611,961 | 375,470,492 | 375,316,528 | 372,200,219 |

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.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(b) *General Fund - Donated property, plant and equipment*

Donated property, plant and equipment as well as cash donations utilised to purchase property, plant and equipment are accounted for through this fund in the Group's and the Board's statement of comprehensive income.

As at 31 March 2020 and 2019, this reserve comprises donated property, plant and equipment and cash donations utilised to purchase property, plant and equipment.

(c) *Restricted Funds*

The Group's Restricted Funds comprise donations and funds received for specific purposes for which there are restrictions on the Group in relation to the application of these funds. These donations include specific donations received for exhibitions and programs as well as for restoration and repair works to national monuments.

Restricted funds comprise the following:

| 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. |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| Group | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|--|----------------------------|---------|------------------|---------|------------------|-----------|------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Income | | | | | | | | |
| Cash donations | 61,269 | 58,053 | 2,321,466 | 569,689 | – | – | 2,382,735 | 627,742 |
| Admission fees | 131,973 | 143,244 | – | – | – | – | 131,973 | 143,244 |
| Rental income | 28,626 | 17,950 | – | – | – | – | 28,626 | 17,950 |
| Interest income | – | – | – | – | 3,240,519 | 3,146,988 | 3,240,519 | 3,146,988 |
| Workshop/seminars | 15,299 | 2,299 | – | – | – | – | 15,299 | 2,299 |
| Commission/ royalties/ consignment | 18,734 | 9,403 | – | – | – | – | 18,734 | 9,403 |
| Others | 34,547 | 48,187 | – | – | – | – | 34,547 | 48,187 |
| | 290,448 | 279,136 | 2,321,466 | 569,689 | 3,240,519 | 3,146,988 | 5,852,433 | 3,995,813 |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| Group | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|---|----------------------------|---------------------|--------------------|--------------------|------------------|----------|---------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Operating expenditure | | | | | | | | |
| Employee benefits expense | (3,982,511) | (3,768,797) | – | – | – | – | (3,982,511) | (3,768,797) |
| Depreciation of property, plant and equipment | (4,123,182) | (4,143,310) | (1,188,799) | (1,281,859) | – | – | (5,311,981) | (5,425,169) |
| Rental of premises/ equipment | (389,641) | (398,610) | – | – | – | – | (389,641) | (398,610) |
| Maintenance and other property expenses | (2,183,099) | (2,217,220) | (1,692,835) | (37,645) | – | – | (3,875,934) | (2,254,865) |
| Exhibition expenses | (1,229,015) | (1,031,084) | (84,169) | (82,165) | – | – | (1,313,184) | (1,113,249) |
| Other services and fees | (1,341,606) | (1,232,624) | (374) | (9,600) | – | – | (1,341,980) | (1,242,224) |
| Outreach, publicity and public relations | (1,407,007) | (1,475,583) | (506,476) | (436,734) | – | – | (1,913,483) | (1,912,317) |
| Staff welfare and development | (65,506) | (72,966) | – | (2,550) | – | – | (65,506) | (75,516) |
| General and administrative expenses | (651,500) | (884,947) | (37,612) | (995) | – | – | (689,112) | (885,942) |
| Total operating expenses | (15,373,067) | (15,225,141) | (3,510,265) | (1,851,548) | – | – | (18,883,332) | (17,076,689) |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|--|----------------------------|--------------|--------------------|-------------|-------------------|-----------|---------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Group | | | | | | | | |
| (Deficit)/surplus before grants | (15,082,619) | (14,946,005) | (1,188,799) | (1,281,859) | 3,240,519 | 3,146,988 | (13,030,899) | (13,080,876) |
| Deferred capital grants amortised | 2,238,585 | 2,252,656 | – | – | – | – | 2,238,585 | 2,252,656 |
| Grants received | 12,844,034 | 12,693,349 | 1,188,799 | 1,281,859 | – | – | 14,032,833 | 13,975,208 |
| Net surplus | – | – | – | – | 3,240,519 | 3,146,988 | 3,240,519 | 3,146,988 |
| Accumulated surplus at 1 April | – | – | – | – | 8,483,810 | 5,336,822 | 8,483,810 | 5,336,822 |
| Accumulated surplus at 31 March | – | – | – | – | 11,724,329 | 8,483,810 | 11,724,329 | 8,483,810 |
| Represented by: | | | | | | | | |
| Assets | | | | | | | | |
| Cash and cash equivalents | – | – | – | – | 11,724,329 | 8,483,810 | 11,724,329 | 8,483,810 |
| Net assets | – | – | – | – | 11,724,329 | 8,483,810 | 11,724,329 | 8,483,810 |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|--------------------------------------|----------------------------|---------|------------------|---------|------------------|-----------|------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | | | |
| Income | | | | | | | | |
| Cash donations | 61,269 | 58,053 | 2,321,466 | 569,689 | – | – | 2,382,735 | 627,742 |
| Admission fees | 131,973 | 143,244 | – | – | – | – | 131,973 | 143,244 |
| Rental income | 28,626 | 17,950 | – | – | – | – | 28,626 | 17,950 |
| Interest income | – | – | – | – | 3,240,519 | 3,146,988 | 3,240,519 | 3,146,988 |
| Workshop/seminars | 15,299 | 2,299 | – | – | – | – | 15,299 | 2,299 |
| Commission/royalties/ consignment | 18,734 | 9,403 | – | – | – | – | 18,734 | 9,403 |
| Others | 34,547 | 48,187 | – | – | – | – | 34,547 | 48,187 |
| | 290,448 | 279,136 | 2,321,466 | 569,689 | 3,240,519 | 3,146,988 | 5,852,433 | 3,995,813 |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|---|----------------------------|---------------------|--------------------|--------------------|------------------|----------|---------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | | | |
| Operating expenditure | | | | | | | | |
| Employee benefits expense | (3,982,511) | (3,768,797) | – | – | – | – | (3,982,511) | (3,768,797) |
| Depreciation of property, plant and equipment | (4,123,182) | (4,143,310) | (1,188,799) | (1,281,859) | – | – | (5,311,981) | (5,425,169) |
| Rental of premises/equipment | (389,641) | (398,610) | – | – | – | – | (389,641) | (398,610) |
| Maintenance and other property expenses | (2,183,099) | (2,217,220) | (1,692,835) | (37,645) | – | – | (3,875,934) | (2,254,865) |
| Exhibition expenses | (1,229,015) | (1,031,084) | (84,169) | (82,165) | – | – | (1,313,184) | (1,113,249) |
| Other services and fees | (1,341,606) | (1,232,624) | (374) | (9,600) | – | – | (1,341,980) | (1,242,224) |
| Outreach, publicity and public relations | (1,407,007) | (1,475,583) | (506,476) | (436,734) | – | – | (1,913,483) | (1,912,317) |
| Staff welfare and development | (65,506) | (72,966) | – | (2,550) | – | – | (65,506) | (75,516) |
| General and administrative expenses | (651,500) | (884,947) | (37,612) | (995) | – | – | (689,112) | (885,942) |
| Total operating expenses | (15,373,067) | (15,225,141) | (3,510,265) | (1,851,548) | – | – | (18,883,332) | (17,076,689) |

National Heritage Board and its Subsidiaries

Notes to the financial statements
For the financial year ended 31 March 2020

22. Accumulated surplus (continued)

(c) *Restricted Funds (continued)*

| | Heritage Institution funds | | Other funds | | Development fund | | Total | |
|--|----------------------------|--------------|--------------------|-------------|-------------------|-----------|---------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | | | |
| (Deficit)/surplus before grants | (15,082,619) | (14,946,005) | (1,188,799) | (1,281,859) | 3,240,519 | 3,146,988 | (13,030,899) | (13,080,876) |
| Deferred capital grants amortised | 2,238,585 | 2,252,656 | – | – | – | – | 2,238,585 | 2,252,656 |
| Grants received | 12,844,034 | 12,693,349 | 1,188,799 | 1,281,859 | – | – | 14,032,833 | 13,975,208 |
| Net surplus | – | – | – | – | 3,240,519 | 3,146,988 | 3,240,519 | 3,146,988 |
| Accumulated surplus at 1 April | – | – | – | – | 8,060,410 | 4,913,422 | 8,060,410 | 4,913,422 |
| Accumulated surplus at 31 March | – | – | – | – | 11,300,929 | 8,060,410 | 11,300,929 | 8,060,410 |
| Represented by: | | | | | | | | |
| Assets | | | | | | | | |
| Cash and cash equivalents | – | – | – | – | 11,300,929 | 8,060,410 | 11,300,929 | 8,060,410 |
| Net assets | – | – | – | – | 11,300,929 | 8,060,410 | 11,300,929 | 8,060,410 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

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.

| | ASEAN COCI Fund | |
|-------------------------------------|------------------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Group | | |
| Income | | |
| Others | 58,565 | – |
| Expenditure | | |
| Other services and fees | (10,714) | – |
| General and administrative expenses | (46,496) | – |
| Net surplus | 1,355 | – |
| Return of fund | – | (2,384) |
| Accumulated surplus at 1 April | – | 2,384 |
| Accumulated surplus at 31 March | 1,355 | – |
| Represented by: | | |
| Assets | | |
| Cash and cash equivalents | 1,355 | – |
| Net assets | 1,355 | – |

National Heritage Board and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

23. Net assets of trust funds (continued)

| | Singapore Philatelic Fund | | ASEAN COCI Fund | | Total | |
|-------------------------------------|---------------------------|------------------|-----------------|----------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Board | | | | | | |
| Income | | | | | | |
| Interest income | 56,151 | 52,226 | – | – | 56,151 | 52,226 |
| Others | – | – | 58,565 | – | 58,565 | – |
| Expenditure | | | | | | |
| Other services and fees | (36) | (38) | (10,714) | – | (10,750) | (38) |
| General and administrative expenses | – | – | (46,496) | – | (46,496) | – |
| Net surplus | 56,115 | 52,188 | 1,355 | – | 57,470 | 52,188 |
| Return of funds | – | – | – | (2,384) | – | (2,384) |
| Accumulated surplus at 1 April | 3,828,043 | 3,775,855 | – | 2,384 | 3,828,043 | 3,778,239 |
| Accumulated surplus at 31 March | 3,884,158 | 3,828,043 | 1,355 | – | 3,885,513 | 3,828,043 |
| Represented by: | | | | | | |
| Assets | | | | | | |
| Cash and cash equivalents | 3,884,158 | 3,828,043 | 1,355 | – | 3,885,513 | 3,828,043 |
| | 3,884,158 | 3,828,043 | 1,355 | – | 3,885,513 | 3,828,043 |
| Net assets | 3,884,158 | 3,828,043 | 1,355 | – | 3,885,513 | 3,828,043 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

24. National Heritage Fund

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

| | Group and Board 2020 | 2019 |
|--|---------------------------------|-------------|
| | \$ | \$ |
| At 1 April | 7,076,402 | 6,671,960 |
| Donations received | | |
| - Tax-deductible | 3,246,600 | 1,470,485 |
| - Non-tax deductible | 157,875 | 114,330 |
| Total donations received during the year (Note 18) | 3,404,475 | 1,584,815 |
| Expenditure | (2,233,464) | (1,180,373) |
| At 31 March | 8,247,413 | 7,076,402 |
| Represented by: | | |
| Assets | | |
| Cash and cash equivalents | 8,247,413 | 7,076,402 |
| Net assets | 8,247,413 | 7,076,402 |

The donations received during the year comprised both general donations as well as donations received for specific purposes and are restricted in nature. 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).

25. Preservation of Monuments Fund

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

| | Group and Board 2020 | 2019 |
|--|---------------------------------|-------------|
| | \$ | \$ |
| At 1 April | 8,578,556 | 4,144,106 |
| Donations received | | |
| - Tax-deductible | 8,256,524 | 4,440,443 |
| - Non-tax deductible | 45,969 | 32,210 |
| Total donations received during the year (Note 18) | 8,302,493 | 4,472,653 |
| Expenditure | (1,692,835) | (38,203) |
| At 31 March | 15,188,214 | 8,578,556 |
| Represented by: | | |
| Assets | | |
| Cash and cash equivalents | 15,188,214 | 8,578,556 |
| Net assets | 15,188,214 | 8,578,556 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

25. Preservation of Monuments Fund (continued)

The donations received during the year are for specific purposes and are restricted in nature. 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 | |
|-----------------------------------|-------------------|--------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Contracted but not provided for | 31,465,999 | 3,298,895 |
| Authorised but not contracted for | 61,253,939 | 105,046,635 |
| | 92,719,938 | 108,345,530 |

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

The operating lease commitments relate to the leasing of premises at the various museums, other heritage organisations and photocopiers. The leases of the premises at various museums and other heritage organisations will expire between 30 June 2019 and 17 March 2022 and the current rent payable on the leases range from \$120 to \$212,800 per month and the photocopiers are under a lease of up to 5 years.

As at 31 March 2019, 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:

| | 2019 | |
|---|-------------------|-------------------|
| | Group | Board |
| | \$ | \$ |
| Not later than one year | 10,661,802 | 10,656,642 |
| Later than one year but not later than five years | 12,869,936 | 12,849,156 |
| | 23,531,738 | 23,505,798 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

27. Related party transactions

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

| | Board | |
|---|-------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Grants received/receivables | | |
| - Ministry of Culture, Community and Youth | 156,764,172 | 124,614,841 |
| - Ministry of Communications and Information | 800,000 | – |
| - National Arts Council | 1,485,906 | 1,177,234 |
| - Singapore Totalisator Board | 26,310,487 | 24,053,466 |
| Rental paid/payable to Singapore Land Authority | 8,561,357 | 8,024,185 |
| IT charges paid/payable to Government Technology Agency | 143,755 | 564,886 |

Outstanding balances at 31 March 2020 and 2019 are as follows:

| | | |
|--|-----------|------------|
| Grants receivables | | |
| - Ministry of Culture, Community and Youth | 4,990,955 | 37,778,169 |
| - Singapore Totalisator Board | 7,199,454 | 23,925,466 |
| - Singapore Tourism Board | 215,270 | – |
| Other payables | | |
| - Government Technology Agency | 55,218 | 30,384 |

Key management personnel compensation

| | Group | | Board | |
|---|------------------|-----------|------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Wages and salaries | 4,991,050 | 4,801,887 | 4,436,880 | 4,325,661 |
| Employer's contribution to Central Provident Fund | 366,852 | 332,408 | 321,589 | 301,877 |
| | 5,357,902 | 5,134,295 | 4,758,469 | 4,627,538 |

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.

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**

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 1.67% to 2.13% (2019: 1.44% to 1.98%).

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

28. Financial risk management objectives and policies (continued)

(b) Credit risk

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

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

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

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

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

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

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

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

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

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

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

28. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

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

Other receivables

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

Excessive risk concentration

The Group's exposure to credit risk arises through its receivables. The Group's most significant debtor, the supervisory ministry, accounts for 28% (2019: 57%) of the receivables carrying amount.

Financial assets that are neither past due nor impaired

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

(c) Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Board's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

National Heritage Board and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

28. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

| | Less than one year \$ | 2020 One to five years \$ | Total \$ |
|---|--------------------------------------|--|---------------------|
| Group | | | |
| Financial assets: | | | |
| Other receivables and deposits | 14,816,672 | – | 14,816,672 |
| Lease receivables | 1,647,916 | 883,351 | 2,531,267 |
| Cash and bank balances | 401,022,791 | – | 401,022,791 |
| Total undiscounted financial assets | 417,487,379 | 883,351 | 418,370,730 |
| Financial liabilities: | | | |
| Other payables | 37,783,714 | – | 37,783,714 |
| Lease liabilities | 9,093,677 | 5,094,413 | 14,188,090 |
| Total undiscounted financial liabilities | 46,877,391 | 5,094,413 | 51,971,804 |
| Total net undiscounted financial assets/(liabilities) | 370,609,988 | (4,211,062) | 366,398,926 |

| | 2019 | |
|--|--------------------------------------|---------------------|
| | Less than one year \$ | Total \$ |
| Group | | |
| Financial assets: | | |
| Other receivables and deposits | 65,847,413 | 65,847,413 |
| Cash and bank balances | 317,164,070 | 317,164,070 |
| Total undiscounted financial assets | 383,011,483 | 383,011,483 |
| Financial liabilities: | | |
| Other payables | 30,809,889 | 30,809,889 |
| Total undiscounted financial liabilities | 30,809,889 | 30,809,889 |
| Total net undiscounted financial assets | 352,201,594 | 352,201,594 |

National Heritage Board and its Subsidiaries

**Notes to the financial statements
For the financial year ended 31 March 2020**

28. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

| | Less than one year \$ | 2020 One to five years \$ | Total \$ |
|--|--------------------------------------|---|---------------------|
| Board | | | |
| Financial assets: | | | |
| Other receivables and deposits | 14,736,938 | – | 14,736,938 |
| Lease receivables | 1,647,916 | 883,351 | 2,531,267 |
| Cash and bank balances | 391,973,467 | – | 391,973,467 |
| Total undiscounted financial assets | 408,358,321 | 883,351 | 409,241,672 |
| Financial liabilities: | | | |
| Other payables | 37,293,237 | – | 37,293,237 |
| Lease liabilities | 9,093,677 | 5,094,413 | 14,188,090 |
| Total undiscounted financial liabilities | 46,386,914 | 5,094,413 | 51,481,327 |
| Total net undiscounted financial assets/(liabilities) | 361,971,407 | (4,211,062) | 357,760,345 |
| | | | |
| | | 2019 Less than one year \$ | Total \$ |
| Board | | | |
| Financial assets: | | | |
| Other receivables and deposits | | 65,815,464 | 65,815,464 |
| Cash and bank balances | | 308,004,174 | 308,004,174 |
| Total undiscounted financial assets | | 373,819,638 | 373,819,638 |
| Financial liabilities: | | | |
| Other payables | | 30,229,702 | 30,229,702 |
| Total undiscounted financial liabilities | | 30,229,702 | 30,229,702 |
| Total net undiscounted financial assets | | 343,589,936 | 343,589,936 |

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

28. Financial risk management objectives and policies (continued)

(d) *Financial instruments by category*

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

| | Group | | Board | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | \$ | \$ | \$ | \$ |
| Financial assets measured at amortised cost | | | | |
| Investments | 40,126,827 | 40,289,435 | 40,126,827 | 40,289,435 |
| Other receivables and deposits | 14,816,672 | 65,847,413 | 14,736,938 | 65,815,464 |
| Lease receivables | 2,460,225 | – | 2,460,225 | – |
| Cash and cash equivalents | 401,022,791 | 317,164,070 | 391,973,467 | 308,004,174 |
| | 458,426,515 | 423,300,918 | 449,297,457 | 414,109,073 |
| Financial liabilities measured at amortised cost | | | | |
| Other payables | 37,783,714 | 30,809,889 | 37,293,237 | 30,229,702 |
| Lease liabilities | 13,331,514 | – | 13,331,514 | – |
| | 51,115,228 | 30,809,889 | 50,624,751 | 30,229,702 |

29. Fair value of assets and liabilities

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

National Heritage Board and its Subsidiaries

Notes to the financial statements For the financial year ended 31 March 2020

29. Fair value of assets and liabilities (continued)

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

| | Fair value measurements at the end of the reporting period using | | | Fair value Total | Carrying amount |
|------------------------|--|---|--|---------------------|--------------------|
| | Quoted prices in active markets for identical assets (Level 1) | Significant observable inputs other than quoted prices (Level 2) | Significant unobservable inputs (Level 3) | | |
| | \$ | \$ | \$ | \$ | \$ |
| Group and Board | | | | | |
| 2020 | | | | | |
| Assets | | | | | |
| Investments | 39,380,434 | – | – | 39,380,434 | 40,126,827 |
| <hr/> | | | | | |
| 2019 | | | | | |
| Assets | | | | | |
| Investments | 39,691,089 | – | – | 39,691,089 | 40,289,435 |
| <hr/> | | | | | |

Determination of fair value

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

30. Events occurring after the reporting period

The Coronavirus Disease (COVID-19) outbreak in Singapore has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. Subsequent to year-end, the Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities. The museums and heritage institutions were closed from 7 April 2020 to 25 June 2020 and 2 July 2020 respectively.

In line with the government's support package to help businesses, the Group has provided 4 months of rental waiver to Food and Beverage ("F&B") tenants in the respective museums. The financial impact of these rental waivers will be reflected in the next financial year.

The COVID-19 outbreak has no material adverse effect on the Group's results for the financial year ended 31 March 2020.

31. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2020 were authorised for issue by the board members at their meeting on 24 September 2020.