

FRIENDS OF THE MUSEUMS (SINGAPORE)

*Society no: T04SS0218E
(Incorporated in Singapore)*

FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

FRIENDS OF THE MUSEUMS (SINGAPORE)

(Incorporated in Singapore)

COUNCIL MEMBERS	MILLIE PHUAH MEI MEI	-	PRESIDENT
	SUSAN FONG THIN FOONG	-	VICE PRESIDENT
	LEE HONG LENG	-	HONORARY SECRETARY
	IRINA GRISHAEVA	-	HONORARY TREASURER
	ADITI KAUL	-	COUNCIL REPRESENTATIVE
	CHARLOTTE JACOB DAWSON	-	COUNCIL REPRESENTATIVE
	DARLENE DRACH KASTEN	-	COUNCIL REPRESENTATIVE
	GISELLA HARROLD	-	COUNCIL REPRESENTATIVE
	KIMBERLY BORDEN ARNOLD	-	COUNCIL REPRESENTATIVE

LOCATION	61 STAMFORD ROAD #02-06 STAMFORD COURT SINGAPORE 178892
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AUDITORS	PLANPARTNERS PAC 138 CECIL STREET #18-00 CECIL COURT SINGAPORE 529538
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BANKER	DBS BANK LTD
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FRIENDS OF THE MUSEUMS (SINGAPORE)

STATEMENT BY THE COUNCIL

In the opinion of the Council, the accompanying financial statements which comprise the statement of financial position, the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows are properly drawn up so as to exhibit a true and fair view of the state of affairs and of the results of Friends of the Museums (Singapore) for the financial year ended 30 September 2022.

On behalf of the Council Members,



MILLIE PHUAH MEI MEI
President



IRINA GRISHAEVA
Honorary Treasurer

Singapore, 18 NOV 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIENDS OF THE MUSEUMS (SINGAPORE)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FRIENDS OF THE MUSEUMS (SINGAPORE) "(FOM)", (the "Society"), which comprise the statement of financial position of the Society as at 30 September 2022, the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows of the Society for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Constitution of the Society, the Societies Act (Chapter 311), and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 30 September 2022 and of the financial performance, changes in accumulated funds and cash flows of the Society 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 Society 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

Council Members are responsible for the other information. The other information comprises the Statement By The Council set out on page 1.

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 FRIENDS OF THE MUSEUMS (SINGAPORE)**
(continued)

Responsibilities of Council Members for the Financial Statements

Council Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the Constitution of the Society, the Societies Act (Chapter 311), and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, Council Members are responsible for assessing the Society'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 Council Members either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

The Council Members' responsibilities include overseeing the Society'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 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council Members.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF FRIENDS OF THE MUSEUMS (SINGAPORE)**
(continued)

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

- Conclude on the appropriateness of Council Members' 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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council Members 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

In our opinion, the accounting and other records required by the Constitution to be kept by the Society have been properly kept in accordance with the provisions of the Constitution.



PlanPartners PAC
Public Accountants and
Chartered Accountants

Singapore, **18 NOV 2022**

FRIENDS OF THE MUSEUMS (SINGAPORE)

STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	2022 \$	2021 \$
ASSETS			
Non-current assets			
Plant and equipment	4	-	531
Intangible assets	5	-	-
Total non-current assets		<u>-</u>	<u>531</u>
Current assets			
Inventory	6	183	378
Trade receivables	7	2,540	2,760
Other receivables	8	10,646	16,761
Bank and cash balances	9	778,848	668,872
Total current assets		<u>792,217</u>	<u>688,771</u>
Total assets		<u><u>792,217</u></u>	<u><u>689,302</u></u>
EQUITY AND LIABILITIES			
ACCUMULATED FUNDS AND RESERVES			
Accumulated funds		607,202	596,203
Total accumulated funds and reserves		<u>607,202</u>	<u>596,203</u>
Current liabilities			
Other payables	10	185,015	93,099
Total current liabilities/Total liabilities		<u>185,015</u>	<u>93,099</u>
Total equity and liabilities		<u><u>792,217</u></u>	<u><u>689,302</u></u>



MILLIE PHUAH MEI MEI
President

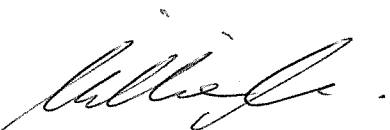
Singapore, 18 NOV 2022



IRINA GRISHAEVA
Honorary Treasurer

FRIENDS OF THE MUSEUMS (SINGAPORE)**STATEMENT OF INCOME AND EXPENDITURE***For financial year ended 30 September 2022*

	2022 \$	2021 \$
INCOME		
Docent training/Museum activities (Appendix A)	49,990	16,700
Membership fees	69,121	75,069
Programmes (Appendix A)	13,348	17,906
Other income (Appendix A)	8,677	14,143
TOTAL INCOME	141,136	123,818
EXPENDITURE		
Docent training (Appendix B)	20,738	6,770
Programmes (Appendix B)	5,923	7,299
Other expenses (Appendix B)	103,476	97,833
TOTAL EXPENDITURE	130,137	111,902
SURPLUS OF INCOME OVER EXPENDITURE FOR THE FINANCIAL YEAR	10,999	11,916



MILLIE PHUAH MEI MEI
President

Singapore, 18 NOV 2022



IRINA GRISHAEVA
Honorary Treasurer

FRIENDS OF THE MUSEUMS (SINGAPORE)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the financial year ended 30 September 2022

	<u>Accumulated</u> <u>funds</u> \$
Balance as at 1 October 2020	584,287
Surplus of income over expenditure for the financial year	11,916
Balance as at 30 September 2021	<u>596,203</u>
Surplus of income over expenditure for the financial year	10,999
Balance as at 30 September 2022	<u><u>607,202</u></u>



MILLIE PHUAH MEI MEI
President

Singapore, 18 NOV 2022



IRINA GRISHAEVA
Honorary Treasurer

FRIENDS OF THE MUSEUMS (SINGAPORE)

STATEMENT OF CASH FLOWS


For the financial year ended 30 September 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the financial year		10,999	11,916
<i>Adjustments for:</i>			
Depreciation of plant and equipment	4	531	1,312
Interest income		-	(707)
		<u>11,530</u>	<u>12,521</u>
<i>Movements in working capital:-</i>			
Inventories		195	(378)
Trade receivables		220	3,880
Other receivables		6,115	(10,685)
Other payables		91,916	27,084
Cash generated from operations		<u>109,976</u>	<u>32,422</u>
Interest received		-	707
Net cash flows generate from operating activities		<u>109,976</u>	<u>33,129</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Addition of fixed deposits		-	(161)
Withdrawal of fixed deposits		-	429,528
Net cash flows generate from investing activities		<u>-</u>	<u>429,367</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash generated from/(used in) financing activities		<u>-</u>	<u>-</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS		109,976	462,496
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		668,872	206,376
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	9	<u>778,848</u>	<u>668,872</u>



MILLIE PHUAH MEI MEI
President

Singapore, 18 NOV 2022



IRINA GRISHAEVA
Honorary Treasurer

FRIENDS OF THE MUSEUMS (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

1. Principal activities

Friends of the Museums (Singapore) (the "Society") is registered under the Societies Act, Cap. 311. It consists of volunteer support groups for the National Heritage Board for the purpose of assisting the work of the National Heritage Board and its programs by providing members with opportunities for service through training, study and self-enrichment.

Its registered address and place of business are at 61 Stamford Road, #02-06 Stamford Court, Singapore 178892.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$), which is the Society's functional currency.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 103: Reference to Conceptual Framework	1 January 2022
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

2. Summary of significant accounting policies (continued)

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Society. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Office equipment and furniture	3 years
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The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Intangible assets

Expenditure on website development cost is capitalized and amortised using the straight-line method over its estimated useful life of 3 years.

2.7 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

2.7 Impairment of non-financial assets (*continued*)

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.8 Financial instruments

a) *Financial assets*

Initial recognition and measurement

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

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Society only has debt instruments at 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 derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised 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 Society becomes a party to the contractual provisions of the financial instrument. The Society 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 FVPL, directly attributable transaction costs.

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

2. Summary of significant accounting policies (continued)

2.8 Financial instruments (continued)

b) Financial liabilities (continued)

Derecognition

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

2.9 Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society 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 Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society 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 which could affect debtors' ability to pay.

The Society considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand are subject to an insignificant risk of changes in value.

2.11 Inventories

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

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.12 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

2.13 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Employee benefits

a) Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Revenue recognition

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring the promised services to a member, excluding amounts collected on behalf of third parties.

(a) Membership fees

Revenue is recognised when benefits were transferred to the customer over time and all criteria for acceptance have been satisfied. Revenue is recognised over based on passage of time. The amount of revenue recognised is based on the type of membership, which consist of individual, senior, joint and family membership. Based on the Society's experience with similar type of contracts, no variable consideration is included in the transaction.

(b) Docent training, programmes and tours

Revenue is recognised when the benefits are transferred to the customer and all criteria for acceptance have been satisfied. Revenue is recognised at the point in time when the programmes and tour events are held.

(c) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2.16 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

2.16 Taxes (*continued*)

a) Current income tax (*continued*)

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting judgements and estimates

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Society, judgment is used by the Society to determine the currency of the primary economic environment in which the Society operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

3. Significant accounting judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the assets is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the assets experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. As at the financial year end, the carrying amount of the Society's plant and equipment is \$Nil (2021: \$531).

Provision for expected credit losses of trade receivables

The Society uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Society's historical observed default rates. The Society will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Society's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Society's trade receivables is disclosed in Note 13.

The carrying amount of the Society's trade receivables as at 30 September 2022 was \$2,540 (2021: \$2,760).

Income taxes

The Society is subject to income taxes in Singapore. Significant judgement is involved in determining the Society-wide provision for income taxes. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Society recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provisions in the period in which such determination is made.

Provisions and contingent liabilities

Estimates of the Society's obligations arising from contracts exist as at balance sheet date may be affected by future events, which cannot be predicted with any certainty. The assumptions and estimates are made based on the Council's knowledge and experience and may vary from actual experience so that the actual liability may vary considerably from the best estimates.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operate. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

FRIENDS OF THE MUSEUMS (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

4. Plant and equipment

	Office equipment and furniture	Total
	\$	\$
<u>Cost</u>		
As at 1.10.2020	21,528	21,528
Additions	-	-
Written off	(1,446)	(1,446)
As at 30.9.2021	20,082	20,082
Additions	-	-
Written off	-	-
As at 30.9.2022	20,082	20,082
<u>Accumulated depreciation</u>		
As at 1.10.2020	19,685	19,685
Depreciation for the financial year	1,312	1,312
Written off	(1,446)	(1,446)
As at 30.9.2021	19,551	19,551
Depreciation for the financial year	531	531
Written off	-	-
As at 30.9.2022	20,082	20,082
<u>Carrying value</u>		
As at 30.9.2022	-	-
As at 30.9.2021	531	531

5. Intangible assets

	Website	Total
	\$	\$
<u>Cost</u>		
As at 1.10.2020	60,990	60,990
Additions	-	-
As at 30.9.2021	60,990	60,990
Additions	-	-
As at 30.9.2022	60,990	60,990
<u>Accumulated depreciation</u>		
As at 1.10.2020	60,990	60,990
Additions	-	-
As at 30.9.2021	60,990	60,990
Additions	-	-
As at 30.9.2022	60,990	60,990
<u>Carrying value</u>		
As at 30.9.2022	-	-
As at 30.9.2021	-	-

FRIENDS OF THE MUSEUMS (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

6. Inventories

	2022 \$	2021 \$
<i>Statement of Financial Position:</i>		
<i>Inventories, at lower of cost and net realisable value</i>		
Finished goods – merchandise	183	378

7. Trade receivables

	2022 \$	2021 \$
Trade receivables		
- Non-related parties	2,540	2,760
Less: Allowance for expected credit loss	-	-
Total trade receivables	2,540	2,760

Trade receivables are non-interest bearing and are generally on 30 days' terms, and denominated in Singapore Dollars.

8. Other receivables

	2022 \$	2021 \$
Other receivables		
- Deposits	1,500	1,500
- Other receivables	1,383	1,121
- Prepayment	7,763	14,140
Total other receivables	10,646	16,761

9. Cash and cash equivalents

	2022 \$	2021 \$
Bank balances	776,495	667,689
Cash balances	2,353	1,183
Cash and cash equivalents in Statement of Financial Position and Statement of Cash Flows	778,848	668,872

10. Other payables

	2022 \$	2021 \$
Other payables		
- Fees received in advance	181,487	89,338
- Other accruals for operating expenses	3,008	2,864
- Other payables	520	897
Total other payables	185,015	93,099

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

11. Taxation

	2022 \$	2021 \$
Current financial year income tax	-	-

The provision for taxation is computed on income received from other sources which are generated from non-voting members. The tax payable is determined at the lower of the amount determined under effective Society tax rate (after tax rebates) or under the progressive rates for bodies of person as follows:

	2022 \$	2021 \$
Other source of income	5,940	5,887
Income tax expense at the statutory tax rate	1,010	1,001
Utilisation of donations carried forward	(1,010)	(1,001)
Total income tax expense	-	-

As at the financial year end, the Society has unutilized donations carried forward applicable for offset against future tax surplus:

	2022 \$	2021 \$
Unutilised donation b/f	119,113	127,858
Utilisation of carry forward donation	(5,940)	(5,887)
Over-provision in prior financial year	(19,113)	(2,858)
Unutilised donation c/f	94,060	119,113

12. Financial risk management

Financial risk factors

The Society's activities expose it to currency risk, interest rate risk and credit risk. The Society's overall risk management strategy seeks to minimize potential adverse effects from the unpredictability of financial markets on the financial performance of the Society.

The Council manages and monitors such exposures to ensure appropriate risk management measures are implemented on timely and effective manners. However, these are not documented in formal written documents. The following guidelines are followed:

- (i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.
- (ii) All financial risk management activities are carried out and monitored by the Council.
- (iii) All financial risk management activities are carried out following market practices.

There has been no significant change to the manner in which it manages and measures these risks.

Currency risk

The Society has no significant exposure to currency risk as all its activities are conducted in Singapore dollars.

Interest rate risk

The interest rate risk exposure is mainly from changes in floating interest rates. The following table analyses the financial assets breakdown of the significant financial instruments by type of interest rate:

	2022 \$	2021 \$
<u>Financial assets</u>		
Fixed rates	Nil%	1.00%

The interest rate risk on financial assets is not significant.

The Society manages the interest rate risk by monitoring the movements in interest rates regularly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

12. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Society 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 Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received.

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

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 Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or another financial reorganisation

There is a disappearance of an active market for that financial asset because of financial difficulty

The Society's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss ("ECL")
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there had been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

As at the financial year end, the Society's financial assets consist mainly trade receivables and other receivables, of which other receivables is determined as low risk of default.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

12. Financial risk management (continued)

Credit risk (continued)

Trade receivables

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at life time ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

Based on the nature of the Society's activities, trade receivables mainly relates to membership fees and activities' fees due from members.

Membership fees are paid in advance and therefore of low credit risk. Fees for activities such as tours and organized activities are usually paid prior to the events. For tours organized, members are given a credit period of up to 6 months to make the payment in 3 instalments. However, full payment must be made prior to the tour. The Society does not have any long-overdue trade receivables. As such, the Society has assessed the impairment of trade receivables based on the provision matrix and determine that the ECL is insignificant.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

Other receivables consists of deposits, prepayments and other receivables and are of low default risk. The Society assessed the latest performance and financial position of the 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 the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determine that the ECL is insignificant.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Society's objective is to maintain a level of cash and cash equivalents deemed adequate by Council members to finance the Society's operations and mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

12. Financial risk management (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Society's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	<u>2022</u>	
	One year or less	Total
	\$	\$
Financial assets:		
Trade receivables (Note 7)	2,540	2,540
Other receivables (less prepayment) (Note 8)	2,883	2,883
Cash and cash equivalents (Note 9)	778,848	778,848
Total undiscounted financial assets	<u>784,271</u>	<u>784,271</u>
Financial liabilities:		
Other payables (Note 10)	185,015	185,015
Total undiscounted financial liabilities	<u>185,015</u>	<u>185,015</u>
Total net undiscounted financial assets	<u>599,256</u>	<u>599,256</u>
	<u>2021</u>	
	One year or less	Total
	\$	\$
Financial assets:		
Trade receivables (Note 7)	2,760	2,760
Other receivables (less prepayment) (Note 8)	2,621	2,621
Cash and cash equivalents (Note 9)	668,872	668,872
Total undiscounted financial assets	<u>674,253</u>	<u>674,253</u>
Financial liabilities:		
Other payables (Note 10)	93,099	93,099
Total undiscounted financial liabilities	<u>93,099</u>	<u>93,099</u>
Total net undiscounted financial assets	<u>581,154</u>	<u>581,154</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

13. Fair value of financial instruments

The fair value of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

- (a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Society access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/ liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/ liabilities in non-active markets.
- (c) Level 3 – in the absences of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

The Society does not hold financial assets nor liabilities carried at fair value or at valuation. Accordingly, the disclosure requirements of the fair value hierarchy (Level 1, 2 and 3) under FRS 107 *Financial instruments: Disclosures* does not apply.

Financial instruments whose carrying amount approximate fair value

The Council has determined that the carrying amounts of cash and cash equivalents, current trade and other receivables/payables, based on their notional amounts, reasonably approximate their fair values because they are mostly short-term in nature or are repriced frequently.

Methods and assumptions used to determine fair values

The following methods and assumptions are used by management to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value are as follows:-

Trade receivables

The carrying amounts of these balances approximate their fair values because these are subject to normal trade credit terms.

Cash and cash equivalents, other receivables, other payables and accruals

The carrying amounts of these amounts approximate their fair values due to their short-term nature.

14. Authorisation of financial statements

The Council of Friends of the Museums (Singapore) authorized these financial statements for issue on 18 November 2022.

FRIENDS OF THE MUSEUMS (SINGAPORE)**DETAILED INCOME AND EXPENDITURE***For the financial year ended 30 September 2022**Appendix A*

	2022 \$	2021 \$
INCOME		
<u>Docent training/Museum activities:</u>		
Corporate tours	7,590	5,550
English speaking docent training	39,200	2,250
FOM Workshop fees	-	7,600
Japanese speaking docent training	3,200	1,300
	<u>49,990</u>	<u>16,700</u>
 <u>Programmes:</u>		
Asian Film Groups	1,310	2,890
Asian Study Groups Income	1,105	2,080
Curio	205	2,621
Explore Singapore	4,838	7,325
Study tours	4,210	-
Textile Enthusiasts Income	1,680	2,990
	<u>13,348</u>	<u>17,906</u>
 <u>Others:</u>		
Advertising income	5,940	5,180
Interest income	-	707
Branded merchandise	372	1,929
Donation and other income	146	666
Jobs Support Scheme	-	3,796
Senior Employment Credit	540	-
Special Employment Credit	527	500
Wage Credit Scheme	1,152	1,365
	<u>8,677</u>	<u>14,143</u>

The above statement does not form part of the audited financial statements

FRIENDS OF THE MUSEUMS (SINGAPORE)**DETAILED INCOME AND EXPENDITURE***For the financial year ended 30 September 2022**Appendix B*

	2022	2021
	\$	\$
EXPENDITURE		
<u>Museum Activities:</u>		
English speaking docent training	19,843	5,299
Japanese speaking docent training	895	1,471
	<u>20,738</u>	<u>6,770</u>
 <u>Programmes:</u>		
Curio	18	2,087
Explore Singapore	1,049	2,321
Lecture series	791	2,270
Study group	91	383
Study tours	3,910	-
Textile Enthusiasts	64	238
	<u>5,923</u>	<u>7,299</u>
 <u>Others:</u>		
Administrative expenses	727	703
Audit fees	2,800	2,750
Depreciation of plant and equipment	531	1,312
Finance expenses	691	123
Insurance	4,952	4,952
IT expenses	12,289	9,410
Magazine expenses	21,757	31,227
Marketing expenses	2,057	2,141
Membership expenses	1,530	1,595
Office expenses	7,841	5,615
Payroll expenses	26,186	24,455
Secretarial and legal expenses	3,981	2,935
Volunteer appreciation	18,134	10,615
	<u>103,476</u>	<u>97,833</u>

The above statement does not form part of the audited financial statements