

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Funds

Report for the financial year ended 31 March 2023

Friends Provident International Limited, Singapore Branch

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**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

STATEMENT BY DIRECTORS

In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") set out on pages 6 to 16 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2023 and the capital and income movements for the financial year from 1 April 2022 to 31 March 2023, in accordance with the stated accounting policies.

Director

Director

28 June 2023

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

INDEPENDENT AUDITOR'S REPORT

Our Opinion

In our opinion, the accompanying financial statements of the Investment-Linked funds as set out on page 5 (the "Funds") of Friends Provident International Limited, Singapore Branch (the "Branch") are prepared, in all material respects, in accordance with the stated accounting policies as set out in Note 2 to the financial statements (the "Notes").

What we have audited

The financial statements of the Funds comprise:

- the Capital and Income Accounts for the financial year from 1 April 2022 to 31 March 2023;
- the Statements of Assets and Liabilities as at 31 March 2023; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Branch in accordance with the Accounting and Corporate Regulatory Authority 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Branch to comply with MAS Notice 307 Investment-Linked Policies. As a result, the financial statements may not be suitable for another purpose.

This report is intended for the sole benefit and use of the Branch and is not intended to nor may it be relied upon by any other party, other than the Branch. We accept no liability or responsibility to any other party to whom this report is disclosed or otherwise made available to.

This report relates solely to the financial statements of the Funds of the Branch and does not extend to the financial statements of the Branch taken as a whole. Our report is not modified in respect of this matter.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

INDEPENDENT AUDITOR'S REPORT

Other Information

Management is responsible for the other information. The other information comprises the Statement by Directors and List of Investment-Linked Funds, 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.

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

The Branch's management is responsible for the preparation of these financial statements in accordance with the accounting policies as set out in Note 2 to the financial statements, and for such internal control as the Branch's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Branch's management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch's management either intends to terminate the Funds or to cease the Funds' operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' 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.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

INDEPENDENT AUDITOR'S REPORT

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

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 Branch'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 ability of each Fund 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 any or all of the Funds to cease to continue as a going concern.

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.

Public Accountants and Chartered Accountants
Singapore, 28 June 2023

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

LIST OF INVESTMENT-LINKED FUNDS

The Statements of Assets and Liabilities, Capital and Income Accounts and a summary of significant accounting policies and other explanatory notes of the following Investment-Linked Funds are covered in this report:

<u>Fund</u>	<u>Commencement Date</u>
Canaccord Genuity Affinity (GBP) (R202)	12 April 2017
Canaccord Genuity Affinity (USD) (R196)	26 October 2016
Canaccord Genuity Diversity (GBP) (R186)	17 August 2016
Canaccord Genuity Diversity (SGD HDG) (R135)	25 July 2012
Canaccord Genuity Diversity (USD) (R133)	27 June 2012
Canaccord Genuity Opportunity (GBP) (R103)	31 March 2011
Canaccord Genuity Opportunity (SGD HDG) (R136)	25 July 2012
Canaccord Genuity Opportunity (USD) (R102)	31 March 2011
HSBC Chinese Equity (R190)	17 August 2016
HSBC Global Equity Climate Change (USD) (R236)	13 September 2021
HSBC Hong Kong Equity (R204)	12 April 2017
Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)	19 July 2017
Quilter Investors Compass 3 Portfolio (SGD HDG) (R208)	19 July 2017
Quilter Investors Compass 3 Portfolio (USD) (R206)	12 December 2018
Quilter Investors Compass 4 Portfolio (GBP HDG) (R210)	19 July 2017
Quilter Investors Compass 4 Portfolio (SGD HDG) (R211)	19 July 2017
Quilter Investors Compass 4 Portfolio (USD) (R209)	12 December 2018

These funds are segregated Investment-Linked Funds dedicated to customers of the Singapore Branch. The segregated Investment-Linked Funds are invested in the underlying funds.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Canaccord Genuity Affinity(GBP) (R202) S\$	Canaccord Genuity Affinity(USD) (R196) S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	361,946	3,117,212
Amounts received by the Fund for creation of units	36,581	516,749
Amounts paid by the Fund for liquidation of units	(70,367)	(935,538)
Net amount paid by the Fund	(33,786)	(418,789)
Unrealised diminution in value of investments	(70,965)	(345,538)
Loss on sale of investments	(157)	(35,034)
Investment income	-	655
Management fees	(3,341)	(29,980)
Other expenses	(578)	(1,137)
Decrease in net asset value for the year	(75,041)	(411,034)
Value of Fund as at 31 March 2023	253,119	2,287,389
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	253,124	2,296,032
Cash and bank balances	4	5,297
Total assets	253,128	2,301,329
<u>Liabilities</u>		
Other creditors	9	13,940
Total liabilities	9	13,940
Value of Fund as at 31 March 2023	253,119	2,287,389

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Canaccord Genuity Diversity(GBP) (R186)	Canaccord Genuity Diversity (SGD HDG) (R135)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	1,854,144	12,992,783
Amounts received by the Fund for creation of units	245,851	2,800,469
Amounts paid by the Fund for liquidation of units	(151,122)	(1,064,073)
Net amount received by the Fund	94,729	1,736,396
Unrealised diminution in value of investments	(330,002)	(1,288,931)
Loss on sale of investments	(13,420)	(41,414)
Management fees	(18,650)	(153,561)
Other expenses	(687)	(2,972)
Decrease in net asset value for the year	(362,759)	(1,486,878)
Value of Fund as at 31 March 2023	1,586,114	13,242,301
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	1,584,994	13,267,648
Cash and bank balances	1,171	51,832
Total assets	1,586,165	13,319,480
<u>Liabilities</u>		
Other creditors	51	77,179
Total liabilities	51	77,179
Value of Fund as at 31 March 2023	1,586,114	13,242,301

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Canaccord Genuity Diversity (USD) (R133) S\$	Canaccord Genuity Opportunity (GBP) (R103) S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	5,342,514	7,811,747
Amounts received by the Fund for creation of units	651,661	746,474
Amounts paid by the Fund for liquidation of units	(758,370)	(856,743)
Net amount paid by the Fund	(106,709)	(110,269)
Unrealised diminution in value of investments	(575,720)	(1,579,212)
(Loss)/gain on sale of investments	(13,412)	131,359
Management fees	(56,954)	(78,820)
Other expenses	(1,379)	(1,266)
Decrease in net asset value for the year	(647,465)	(1,527,939)
Value of Fund as at 31 March 2023	4,588,340	6,173,539
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	4,582,932	6,169,298
Cash and bank balances	5,559	4,445
Total assets	4,588,491	6,173,743
<u>Liabilities</u>		
Other creditors	151	204
Total liabilities	151	204
Value of Fund as at 31 March 2023	4,588,340	6,173,539

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Canaccord Genuity Opportunity (SGD HDG) (R136)	Canaccord Genuity Opportunity (USD) (R102)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	41,334,450	30,955,552
Amounts received by the Fund for creation of units	10,958,091	3,090,906
Amounts paid by the Fund for liquidation of units	(3,130,035)	(1,835,955)
Net amounts received by the Fund	7,828,056	1,254,951
Unrealised diminution in value of investments	(4,666,137)	(3,742,983)
Gain on sale of investments	56,421	171,263
Management fees	(506,492)	(344,940)
Other expenses	(6,051)	(3,887)
Decrease in net asset value for the year	(5,122,259)	(3,920,547)
Value of Fund as at 31 March 2023	44,040,247	28,289,956
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	44,096,598	28,336,703
Total assets	44,096,598	28,336,703
<u>Liabilities</u>		
Other creditors	56,351	46,747
Total liabilities	56,351	46,747
Value of Fund as at 31 March 2023	44,040,247	28,289,956

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	HSBC Chinese Equity (R190)	HSBC Global Equity Climate Change (USD) (R236)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	408,578	12,563
Amounts received by the Fund for creation of units	44,752	14,149
Amounts paid by the Fund for liquidation of units	(85,886)	(10,205)
Net amounts (paid)/received by the Fund	(41,134)	3,944
Unrealised (diminution)/appreciation in value of investments	(46,650)	414
Loss on sale of investments	(7,393)	(1,763)
Investment income	491	-
Management fees	(4,157)	(143)
Other expenses	(214)	(175)
Decrease in net asset value for the year	(57,923)	(1,667)
Value of Fund as at 31 March 2023	309,521	14,840
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	304,810	14,466
Cash and bank balances	4,721	374
Total assets	309,531	14,840
<u>Liabilities</u>		
Other creditors	10	-
Total liabilities	10	-
Value of Fund as at 31 March 2023	309,521	14,840

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	HSBC Hong Kong Equity (R204)	Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	207,896	1,369,145
Amounts received by the Fund for creation of units	47,135	14,855
Amounts paid by the Fund for liquidation of units	(36,770)	(292,291)
Net amount received / (paid) by the Fund	10,365	(277,436)
Unrealised diminution in value of investments	(19,025)	(207,150)
Gain/(loss) on sale of investments	178	(7,064)
Investment income	1,132	-
Management fees	(2,270)	(11,580)
Other expenses	(352)	(285)
Decrease in net asset value for the year	(20,337)	(226,079)
Value of Fund as at 31 March 2023	197,924	865,630

**Statement of Assets and Liabilities
As at 31 March 2023**

<u>Assets</u>		
Investments in funds	198,694	866,696
Total assets	198,694	866,696
<u>Liabilities</u>		
Other creditors	770	1,066
Total liabilities	770	1,066
Value of Fund as at 31 March 2023	197,924	865,630

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Quilter Investors Compass 3 Portfolio (SGD HDG) (R208) S\$	Quilter Investors Compass 3 Portfolio (USD) (R206) S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	6,293,903	417,661
Amounts received by the Fund for creation of units	654,938	56,019
Amounts paid by the Fund for liquidation of units	(2,818,893)	(86,332)
Net amount paid by the Fund	(2,163,955)	(30,313)
Unrealised diminution in value of investments	(546,336)	(36,931)
Gain on sale of investments	20,833	2,723
Management fees	(50,449)	(3,954)
Other expenses	(2,198)	(464)
Decrease in net asset value for the year	(578,150)	(38,626)
Value of Fund as at 31 March 2023	3,551,798	348,722
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	3,554,821	349,089
Total assets	3,554,821	349,089
<u>Liabilities</u>		
Other creditors	3,023	367
Total liabilities	3,023	367
Value of Fund as at 31 March 2023	3,551,798	348,722

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Quilter Investors Compass 4 Portfolio (GBP HDG) (R210) S\$	Quilter Investors Compass 4 Portfolio (SGD HDG) (R211) S\$
Capital and Income Account		
For the year 1 April 2022 to 31 March 2023		
Value of Fund as at 1 April 2022	4,226,522	21,331,964
Amounts received by the Fund for creation of units	131,718	1,256,008
Amounts paid by the Fund for liquidation of units	(826,512)	(9,584,907)
Net amount paid by the Fund	(694,794)	(8,328,899)
Unrealised diminution in value of investments	(757,017)	(2,700,797)
Gain on sale of investments	34,537	582,733
Management fees	(36,904)	(157,951)
Other expenses	(919)	(3,899)
Decrease in net asset value for the year	(760,303)	(2,279,914)
Value of Fund as at 31 March 2023	2,771,425	10,723,151
Statement of Assets and Liabilities		
As at 31 March 2023		
<u>Assets</u>		
Investments in funds	2,774,897	10,737,851
Total assets	2,774,897	10,737,851
<u>Liabilities</u>		
Other creditors	3,472	14,700
Total liabilities	3,472	14,700
Value of Fund as at 31 March 2023	2,771,425	10,723,151

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 31 March 2023

	Quilter Investors Compass 4 Portfolio (USD) (R209) S\$
Capital and Income Account	
For the year 1 April 2022 to 31 March 2023	
Value of Fund as at 1 April 2022	<u>472,301</u>
Amounts received by the Fund for creation of units	82,425
Amounts paid by the Fund for liquidation of units	<u>(415,222)</u>
Net amount paid by the Fund	<u>(332,797)</u>
Unrealised diminution in value of investments	(50,734)
Gain on sale of investments	4,882
Management fees	(2,557)
Other expenses	<u>(1,672)</u>
Decrease in net asset value for the year	<u>(50,081)</u>
Value of Fund as at 31 March 2023	<u>89,423</u>
Statement of Assets and Liabilities	
As at 31 March 2023	
<u>Assets</u>	
Investments in funds	89,508
Total assets	<u>89,508</u>
<u>Liabilities</u>	
Other creditors	85
Total liabilities	<u>85</u>
Value of Fund as at 31 March 2023	<u>89,423</u>

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

1.1 Units in issue and net asset value

The units in issue and the net asset value per unit of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") as at 31 March 2023 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 March 2023</u>	<u>Net asset value per unit S\$</u>
Canaccord Genuity Affinity (GBP) (R202)	12 April 2017	96,429	2.62
Canaccord Genuity Affinity (USD) (R196)	26 October 2016	1,066,067	2.15
Canaccord Genuity Diversity (GBP) (R186)	17 August 2016	692,559	2.29
Canaccord Genuity Diversity (SGD HDG) (R135)	25 July 2012	11,827,111	1.12
Canaccord Genuity Diversity (USD) (R133)	27 June 2012	2,521,258	1.82
Canaccord Genuity Opportunity (GBP) (R103)	31 March 2011	1,240,008	4.98
Canaccord Genuity Opportunity (SGD HDG) (R136)	25 July 2012	32,295,940	1.36
Canaccord Genuity Opportunity (USD) (R102)	31 March 2011	6,360,453	4.45
HSBC Chinese Equity (R190)	17 August 2016	81,610	3.79
	13 September 2021	16,374	0.91
HSBC Global Equity Climate Change (USD) (R236)			
HSBC Hong Kong Equity (R204)	12 April 2017	76,154	2.60
Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)	19 July 2017	611,543	1.42
Quilter Investors Compass 3 Portfolio (SGD HDG) (R208)	19 July 2017	3,937,766	0.90
	12 December 2018	265,467	1.31
Quilter Investors Compass 3 Portfolio (USD) (R206)			
Quilter Investors Compass 4 Portfolio (GBP HDG) (R210)	19 July 2017	1,842,483	1.50
Quilter Investors Compass 4 Portfolio (SGD HDG) (R211)	19 July 2017	11,116,728	0.96
	12 December 2018	63,410	1.41
Quilter Investors Compass 4 Portfolio (USD) (R209)			

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Investment-Linked Funds of the Singapore Branch are presented in Singapore dollar. The financial statements have been prepared on the historical cost basis, except for investments which are carried at fair value.

2.2 Investments

All purchases of investments, which include unit trusts, quoted equities and bonds, are recognised on their trade dates, i.e. the date the commitment exists to purchase the investments. The investments are initially recorded at cost, being the fair value of the consideration given. The attributable transaction costs are recognised in the Capital and Income Account when incurred. Subsequent to initial recognition, the investments are recorded at fair value and the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The fair value is determined by using open market valuation at the year-end date.

2.3 Amounts received by the funds for creation of units

The amounts received by the funds comprise the gross premiums received by the Singapore Branch (after deducting charges which include bid-offer spread) and switches by the policyholders from other funds.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH
INVESTMENT-LINKED FUNDS**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.4 *Amounts paid by the funds for liquidation of units*

The amounts paid by the funds for liquidation of units comprise the sale of units in the Investment-Linked Funds for the payment of death claims or surrenders and for switches by the policyholders to the other funds.

2.5 *Gains/losses from sale of investments*

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments. The cost of disposal of investments is determined on the weighted-average cost basis. Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

2.6 *Management fee*

The annual management charges for each Fund are accrued on a monthly basis and payable to the Singapore Branch.

2.7 *Income and expenses*

Income and expenses are accounted for on an accruals basis. Investment income consists of dividend income, interest income and other income. Dividend income is recognised in the Capital and Income Account when the right to receive payment is established. Interest income from investments and other income are recognised on an accrual basis.

2.8 *Foreign currencies*

Foreign currency transactions are translated into the functional currency, British Pound, at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Assets and liabilities are translated from the functional currency into the presentation currency, Singapore dollar, at the closing rate at the reporting date, and income and expenses are translated at average exchange rates for the period. Differences in exchange are taken to the Capital and Income Account.

2.9 *Other debtors and creditors*

Other debtors and creditors arise as a result of outstanding settlement of creations and liquidations of units respectively as at year end. Other creditors may also include bank overdrafts.

2.10 *Cash and bank balances*

Cash and bank balances represent deposits with financial institutions, which are subject to an insignificant risk of change in value.