

Reg. No. T06FC6835J

**Friends Provident International Limited,  
Singapore Branch**

**Investment-Linked Funds**

**Report for the year 1 October 2011 (or the date of  
commencement of the respective Investment-Linked Funds,  
whichever is later) to 30 September 2012**

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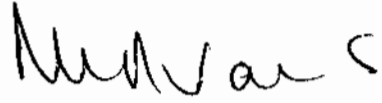
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**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 October 2011 to 30 September 2012**

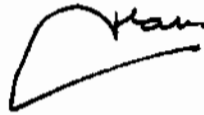
**Statement by Directors**

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In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch ("Singapore Branch") set out on page 5 to 17 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 September 2012 and the capital movements for the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012, in accordance with the stated accounting policies.



Director



Director

19 December 2012

**Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 October 2011 to 30 September 2012**

**Independent Auditors' Report to Friends Provident International Limited, Singapore Branch**

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We have audited the accompanying financial statements of the Investment-Linked Funds (as set out on page 4) of Friends Provident International Limited, Singapore Branch (the "Singapore Branch"), which comprise the Statement of Assets and Liabilities as at 30 September 2012, the Capital and Income Account for the year from 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 17.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies, 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 Capital and Income Account and Statement of Assets and Liabilities and to maintain accountability of assets.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Investment-Linked Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 October 2011 to 30 September 2012**

**Independent Auditors' Report to Friends Provident International Limited, Singapore Branch**

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**Opinion**

In our opinion, the financial statements present fairly, in all material aspects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 September 2012 and the capital movements for the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012, in accordance with the stated accounting policies.

Our report is intended solely for the use of the Singapore Branch and our duties are owed solely to the Singapore Branch. We do not accept responsibility and we expressly disclaim liability for loss occasioned to any third party acting or refraining from acting as a result of our report.

This report relates solely to the financial statements of the Investment-Linked Funds of the Singapore Branch and does not extend to the financial statements of the Singapore Branch taken as a whole.

*Ernst & Young LLP*  
Ernst & Young LLP  
Public Accountants and  
Certified Public Accountants  
Singapore

19 December 2012

**Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 October 2011 to 30 September 2012**

**Independent Auditors' Report to Friends Provident International Limited, Singapore Branch**

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>Funds</u>	<u>Commencement Date</u>
Aberdeen Global Asia-Pacific Equity (SGD HDG) (R111)	05 October 2011
Aberdeen Global Chinese Equity	30 November 2008
Aberdeen Global Emerging Markets Smaller Cos. (R11)	31 July 2009
Aberdeen Global Emerging Markets Smaller Cos. (SGD HDG) (R132)	27 June 2012
Aberdeen Global India Equity (P54)	31 August 2008
Aberdeen Global India Equity (SGD HDG) (R128)	25 April 2012
Aberdeen Global Technology Equity	31 July 2009
Allianz RCM BRIC Equity	31 August 2008
Allianz RCM Emerging Asia	30 November 2008
Allianz RCM Japan	31 August 2008
Allianz RCM Little Dragons	31 July 2009
Allianz RCM Oriental Income	31 July 2009
Allianz RCM Total Return Asian Equity	31 July 2009
F&C Global Convertible Bond	31 July 2009
F&C Stewardship International (USD)	30 September 2010
Jupiter China Sustainable Growth	30 April 2010
Jupiter Global Financials	30 September 2010
Jupiter New Europe	30 November 2008
Principal Global Equity	31 July 2009

The fund is invested as one part of the sub-fund of Friends Provident International Limited (the Company). This represents the element of the sub-fund that is dedicated to customers of the Company's Singapore Branch (the Branch). The sub-fund is, in turn, invested in the underlying funds.

Aberdeen Global Emerging Markets Smaller Cos. and Aberdeen Global India Equity funds are part of an on-going fund segregation project. Customers of the Company's Singapore Branch will now have their own sub-fund (R132 and R128) as opposed to being a part of a larger sub-fund. This segregated sub-fund is, in turn, invested in the underlying funds.

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 October 2011 to 30 September 2012**

**Financial Statements**

	<b>Aberdeen Global Asia-Pacific Equity (SGD HDG) (R111)* S\$</b>
<b>Capital and Income Account</b>	
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>	
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	3,278,194
Amounts received by the Fund for creation of units	1,144,952
Amounts paid by the Fund for liquidation of units	(229,215)
Net amounts received by the Fund	915,737
Unrealised appreciation in value of investments	92,996
Gain on sale of investments	11,394
Other income	-
Management fees	(17,770)
Other expenses	(202)
Increase in net asset value for the year	86,418
<b>Value of Fund As at 30 September 2012</b>	<b>4,280,349</b>
<b>Statement of Assets and Liabilities</b>	
<b>As at 30 September 2012</b>	
<u>Assets</u>	
Investments in funds	4,276,739
Cash and bank balances	95,686
Other debtors	-
Total assets	4,372,425
<u>Liabilities</u>	
Other creditors	92,076
Total liabilities	92,076
<b>Value of Fund As at 30 September 2012</b>	<b>4,280,349</b>

\* The financial period of this investment-linked fund is from 1 May 2012 to 30 September 2012 as there was a change in the reporting year end from 30 April to 30 September for this fund.

Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 October 2011 to 30 September 2012

Financial Statements

	Aberdeen Global Chinese Equity S\$	Aberdeen Global Emerging Markets Smaller Cos. (R11) S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	200,361	468,327
Amounts received by the Fund for creation of units	345,879	440,342
Amounts paid by the Fund for liquidation of units	(61,913)	(964,502)
Net amounts received/ (paid) by the Fund	283,966	(524,160)
Unrealised appreciation in value of investments	7,498	59,705
Gain on sale of investments	2,396	2,627
Other income	-	-
Management fees	(3,786)	(6,469)
Other expenses	(17)	(30)
Increase in net asset value for the year	6,091	55,833
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>490,418</b>	-
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	491,589	-
Cash and bank balances	-	-
Other debtors	8,344	-
Total assets	499,933	-
<u>Liabilities</u>		
Other creditors	9,515	-
Total liabilities	9,515	-
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>490,418</b>	-



Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
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	Aberdeen Global Emerging Markets Smaller Cos. (SGD HDG) (R132) S\$	Aberdeen Global India Equity (P54) S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	-	541,747
Amounts received by the Fund for creation of units	1,122,931	350,692
Amounts paid by the Fund for liquidation of units	(44,503)	(841,627)
Net amounts received/ (paid) by the Fund	1,078,428	(490,935)
Unrealised appreciation/ (diminution) in value of investments	65,760	(9,376)
Gain/ (loss) on sale of investments	398	(36,998)
Other income	584	-
Management fees	(2,794)	(4,417)
Other expenses	(76)	(21)
Increase /(decrease) in net asset value for the year	63,872	(50,812)
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>1,142,300</b>	<b>-</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	1,136,586	-
Cash and bank balances	24,112	-
Other debtors	-	-
Total assets	1,160,698	-
<u>Liabilities</u>		
Other creditors	18,398	-
Total liabilities	18,398	-
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>1,142,300</b>	<b>-</b>

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 October 2011 to 30 September 2012**

**Financial Statements**

	<b>Aberdeen Global India Equity (SGD HDG) (R128) S\$</b>	<b>Aberdeen Global Technology Equity S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	-	271,796
Amounts received by the Fund for creation of units	1,110,933	273,195
Amounts paid by the Fund for liquidation of units	(78,108)	(33,218)
Net amounts received by the Fund	1,032,825	239,977
Unrealised appreciation in value of investments	107,852	24,507
Gain on sale of investments	457	1,993
Other income	-	-
Management fees	(4,490)	(4,739)
Other expenses	(715)	(783)
Increase in net asset value for the year	103,104	20,978
<b>Value of Fund As at 30 September 2012</b>	<b>1,135,929</b>	<b>532,751</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	1,137,155	531,926
Cash and bank balances	18,398	41,153
Other debtors	-	-
Total assets	1,155,553	573,079
<u>Liabilities</u>		
Other creditors	19,624	40,328
Total liabilities	19,624	40,328
<b>Value of Fund As at 30 September 2012</b>	<b>1,135,929</b>	<b>532,751</b>

Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
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	Allianz RCM BRIC Equity S\$	Allianz RCM Emerging Asia* S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	45,553	67,260
Amounts received by the Fund for creation of units	14,601	77,978
Amounts paid by the Fund for liquidation of units	(35,949)	(20,659)
Net amounts (paid)/ received by the Fund	(21,348)	57,319
Unrealised appreciation in value of investments	5,515	5,596
Loss on sale of investments	(4,894)	(1,162)
Other income	-	-
Management fees	(457)	(803)
Other expenses	(3)	(4)
Increase in net asset value for the year	161	3,627
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>24,366</b>	<b>128,206</b>

**Statement of Assets and Liabilities**  
**As at 30 September 2012**

<u>Assets</u>		
Investments in funds	24,436	127,719
Cash and bank balances	119	487
Other debtors	-	-
Total assets	24,555	128,206
<u>Liabilities</u>		
Other creditors	189	-
Total liabilities	189	-
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>24,366</b>	<b>128,206</b>

\* The financial period of this investment-linked fund is from 1 January 2012 to 30 September 2012 as there was a change in the reporting year end from 31 December to 30 September for this fund.

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	Allianz RCM Japan* S\$	Allianz RCM Little Dragons* S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	108,805	61,186
Amounts received by the Fund for creation of units	18,518	32,081
Amounts paid by the Fund for liquidation of units	(72,359)	(16,045)
Net amounts (paid)/ received by the Fund	(53,841)	16,036
Unrealised appreciation in value of investments	7,971	1,877
(Loss)/ gain on sale of investments	(13,085)	279
Other income	5,840	-
Management fees	(895)	(628)
Other expenses	(30)	(2)
(Decrease)/ increase in net asset value for the year	(199)	1,526
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>54,765</b>	<b>78,748</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	54,739	79,000
Cash and bank balances	2,148	-
Other debtors	-	-
Total assets	56,887	79,000
<u>Liabilities</u>		
Other creditors	2,122	252
Total liabilities	2,122	252
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>54,765</b>	<b>78,748</b>

\* The financial period of these investment-linked funds is from 1 January 2012 to 30 September 2012 as there was a change in the reporting year end from 31 December to 30 September for these funds.

Friends Provident International Limited, Singapore Branch  
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	Allianz RCM Oriental Income S\$	Allianz RCM Total Return Asian Equity S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	7,299	184,819
Amounts received by the Fund for creation of units	49,101	285,323
Amounts paid by the Fund for liquidation of units	(1,267)	(40,109)
Net amounts received by the Fund	47,834	245,214
Unrealised (diminution)/ appreciation in value of investments	(1,070)	2,921
Gain on sale of investments	57	31,402
Other income	60	6,765
Management fees	(350)	(3,974)
Other expenses	(2)	(44)
(Decrease)/ increase in net asset value for the year	(1,305)	37,070
<b>Value of Fund As at 30 September 2012</b>	<b>53,828</b>	<b>467,103</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	54,074	471,100
Cash and bank balances	-	-
Other debtors	-	4,561
Total assets	54,074	475,661
<u>Liabilities</u>		
Other creditors	246	8,558
Total liabilities	246	8,558
<b>Value of Fund As at 30 September 2012</b>	<b>53,828</b>	<b>467,103</b>

Friends Provident International Limited, Singapore Branch  
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	F&C Global Convertible Bond S\$	F&C Stewardship International (USD) S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	11,207	959
Amounts received by the Fund for creation of units	18,568	3,854
Amounts paid by the Fund for liquidation of units	(401)	(371)
Net amounts received by the Fund	18,167	3,483
Unrealised appreciation in value of investments	923	209
(Loss)/ gain on sale of investments	(530)	25
Other income	42	-
Management fees	(229)	(33)
Other expenses	(5)	(6)
Increase in net asset value for the year	201	195
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>29,575</b>	<b>4,637</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	29,493	4,622
Cash and bank balances	82	15
Other debtors	-	-
Total assets	29,575	4,637
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>29,575</b>	<b>4,637</b>

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	Jupiter China Sustainable Growth S\$	Jupiter Global Financials S\$
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	4,219	40,271
Amounts received by the Fund for creation of units	5,829	143,557
Amounts paid by the Fund for liquidation of units	(6,337)	(52,907)
Net amounts (paid)/ received by the Fund	(508)	90,650
Unrealised appreciation in value of investments	2,014	16,277
(Loss)/ gain on sale of investments	(1,864)	633
Other income	63	-
Management fees	(81)	(1,554)
Other expenses	(5)	(15)
Increase in net asset value for the year	127	15,341
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>3,838</b>	<b>146,262</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<b>Assets</b>		
Investments in funds	3,882	146,826
Cash and bank balances	-	3,222
Other debtors	92	-
Total assets	3,974	150,048
<b>Liabilities</b>		
Other creditors	136	3,786
Total liabilities	136	3,786
<b>Value of Fund</b>		
<b>As at 30 September 2012</b>	<b>3,838</b>	<b>146,262</b>

**Friends Provident International Limited, Singapore Branch**  
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	<b>Jupiter New Europe S\$</b>	<b>Principal Global Equity S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 October 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 September 2012</b>		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 October 2011, whichever is later	50,170	-
Amounts received by the Fund for creation of units	23,601	34,606
Amounts paid by the Fund for liquidation of units	(36,404)	(1)
Net amounts (paid)/ received by the Fund	(12,803)	34,605
Unrealised appreciation in value of investments	8,370	8,160
Loss on sale of investments	(6,339)	(6,299)
Other income	-	-
Management fees	(570)	(118)
Other expenses	(7)	(1)
Increase in net asset value for the year	1,454	1,742
<b>Value of Fund As at 30 September 2012</b>	<b>38,821</b>	<b>36,347</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 September 2012</b>		
<u>Assets</u>		
Investments in funds	38,967	36,153
Cash and bank balances	501	194
Other debtors	-	-
Total assets	39,468	36,347
<u>Liabilities</u>		
Other creditors	647	-
Total liabilities	647	-
<b>Value of Fund As at 30 September 2012</b>	<b>38,821</b>	<b>36,347</b>



**Friends Provident International Limited, Singapore Branch**  
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**Notes to the Financial Statements**

**1. Units in issue and net asset value**

1.1 The Units in issue and the Net Asset Value per unit of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch as at 30 September 2012 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 30 September 2012</u>	<u>Net asset value per unit S\$</u>
Aberdeen Global Asia-Pacific Equity (SGD HDG) (R111)	05 October 2011	2,571,787	1.66
Aberdeen Global Chinese Equity	30 November 2008	119,168	4.12
Aberdeen Global Emerging Markets Smaller Cos. (R11)	31 July 2009	-	-
Aberdeen Global Emerging Markets Smaller Cos. (SGD HDG) (R132)	27 June 2012	673,055	1.70
Aberdeen Global India Equity (P54)	31 August 2008	-	-
Aberdeen Global India Equity (SGD HDG) (R128)	25 April 2012	452,342	2.51
Aberdeen Global Technology Equity	31 July 2009	1,460,283	0.36
Allianz RCM BRIC Equity	31 August 2008	34,306	0.71
Allianz RCM Emerging Asia	30 November 2008	270,002	0.47
Allianz RCM Japan	31 August 2008	61,532	0.89
Allianz RCM Little Dragons	31 July 2009	17,052	4.62
Allianz RCM Oriental Income	31 July 2009	33,407	1.61
Allianz RCM Total Return Asian Equity	31 July 2009	538,787	0.87
F&C Global Convertible Bond	31 July 2009	21,492	1.38
F&C Stewardship International (USD)	30 September 2010	3,621	1.28
Jupiter China Sustainable Growth	30 April 2010	4,844	0.79
Jupiter Global Financials	30 September 2010	139,485	1.05
Jupiter New Europe	30 November 2008	30,132	1.29
Principal Global Equity	31 July 2009	27,914	1.30

**Notes to the Financial Statements**

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**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch ("Singapore Branch") are presented in Singapore dollars. The financial statements have been prepared on the historical cost basis, except for investments which are carried at fair value.

Where Singapore policy holders are not the only investors in a fund, an apportionment method is applied. This apportionment method is based on Singapore policy holders' unit holdings as a percentage of the total unit holdings of the fund. In the instance that the fund is wholly owned by Singapore investors there is no apportionment method applied.

Aberdeen Global Emerging Markets Smaller Cos. and Aberdeen Global India Equity funds are part of an on-going fund segregation project. Customers of the Company's Singapore Branch will now have their own sub-fund (R132 and R128) as opposed to being a part of a larger sub-fund. This segregated sub-fund is, in turn, invested in the underlying funds.

Customers invested in the funds under-going segregation will have been informed by the Company's customer services department.

**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.

**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.

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 October 2011 to 30 September 2012**

**Notes to the Financial Statements**

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

**2.6 *Income and expenses***

Income and expenses are accounted for on an accrual basis. Dividend income is recognised in the Capital and Income Account when the right to receive payment is established. Interest income from investments is recognised on an accrual basis. Income and expense balances are apportioned monthly based on the Singapore Branch's unit holding at the month end.

**2.7 *Foreign currencies***

Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Foreign currency transactions are translated at exchange rates on transaction dates. Differences in exchange are taken to the Capital and Income Account.