

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Fund

Report for the year 1 June 2014 to 31 May 2015

Friends Provident International Limited, Singapore Branch

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**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015**

Statement by Directors

In our opinion, the financial statements of the Investment-Linked Fund of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") set out on page 5 to 8 present fairly, in all material respects, the state of affairs of the Investment-Linked Fund of the Singapore Branch as at 31 May 2015 and the capital movements for the year 1 June 2014 to 31 May 2015, in accordance with the stated accounting policies.



Director *Kevin Coakley*



Director

CAROLINE JUNE CORNISH

27 August 2015

**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015**

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

We have audited the accompanying financial statements of the Investment-Linked Fund (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 31 May 2015, the Capital and Income Account for the year from 1 June 2014 to 31 May 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 8.

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 Fund
For the year 1 June 2014 to 31 May 2015**

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

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the state of affairs of the Investment-Linked Fund of the Singapore Branch as at 31 May 2015 and the capital movements for the year 1 June 2014 to 31 May 2015, 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 Fund 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
Chartered Accountants
Singapore

27 August 2015

**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015**

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

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

<u>Funds</u>	<u>Commencement Date</u>
F&C Responsible Global Equity (GBP) (P46) (<i>previously reported as F&C Stewardship International (GBP) (P46)</i>)	30 September 2010

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 Singapore Branch. The sub-fund is, in turn, invested in the underlying fund.

Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015

Financial Statements

	F&C Responsible Global Equity (GBP) (P46)
	S\$
Capital and Income Account	
For the year 1 June 2014 to 31 May 2015	
Value of Fund as at 1 June 2014	71,255
Amounts received by the Fund for creation of units	79,224
Amounts paid by the Fund for liquidation of units	(22,807)
Net amounts received by the Fund	56,417
Unrealised appreciation in value of investments	8,363
Gain on sale of investments	6,824
Other income	-
Management fees	(1,049)
Other expenses	(5)
Increase in net asset value for the year	14,133
Value of Fund	
As at 31 May 2015	141,805
 Statement of Assets and Liabilities	
As at 31 May 2015	
Assets	
Investments in funds	142,424
Cash and bank balances	-
Other debtors	-
Total assets	142,424
Liabilities	
Other creditors	619
Total liabilities	619
Value of Fund	
As at 31 May 2015	141,805

**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015**

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 Fund of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") as at 31 May 2015 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 May 2015</u>	<u>Net asset value per unit S\$</u>
F&C Responsible Global Equity (GBP) (P46) (<i>previously reported as F&C Stewardship International (GBP) (P46)</i>)	30 September 2010	38,624	3.67

**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 31 May 2015**

Notes to the Financial Statements

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the 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.

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.

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.

**Friends Provident International Limited, Singapore Branch
Investment-Linked Fund
For the year 1 June 2014 to 28 March 2015**

Notes to the Financial Statements

2. Summary of significant accounting policies (cont)

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.