

## **ONE HOPE CENTRE**

[Unique Entity No. T04SS0143E]

[IPC No. IPC000793]

[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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## **Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants  
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**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.


At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

15 APR 2015

President	Christopher Chuah Chee Kian	
Vice President	James Lim Choon Liang	
Honorary Secretary	Lui Yuan Tze	
Treasurer	Lee Chee Ming	(Appointed on 30 May 2014)
Advisor	Chai Shung Chee	
Member	Chua Carolina Tang	
Member	Lau Meng – Lee Josie	
Member	Leong Lai Hoong	
Member	David Chung Gay Leong	

For and on behalf of the Management Committee,



Christopher Chuah Chee Kian  
President



Lee Chee Ming  
Treasurer

Singapore,

15 APR 2015

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## Fiducia LLP

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Singapore

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Independent auditors' report to the members of:

### **ONE HOPE CENTRE**

[UNIQUE ENTITY No. T04SS0143E]  
[IPC No. IPC000793]

[Registered under the Societies Act (Chapter 311) in the Republic of  
Singapore]

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **ONE HOPE CENTRE** (the "Society") set out on pages 5 to 20, which comprise the statement of financial position as at 31 December 2014, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal controls. 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.

## Fiducia LLP

Public Accountants and  
Chartered Accountants,  
Singapore

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(CONT'D)

Independent auditors' report to the members of:

### **ONE HOPE CENTRE**

[UNIQUE ENTITY No. T04SS0143E]

[IPC No. IPC000793]

[Registered under the Societies Act (Chapter 311) in the Republic of  
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### *Opinion*

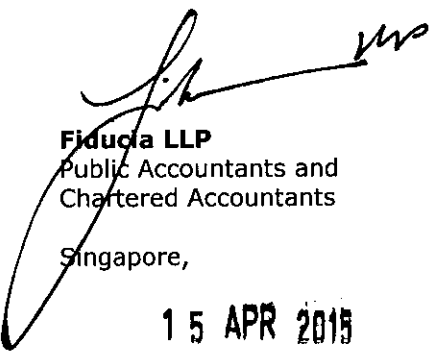
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014, and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

### **Report on other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants  
Singapore,

**15 APR 2015**

Partner-in-charge: Ong Lien Wan

PAB. No.: 01360

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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	Note	2014 S\$	2013 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	4	133,238	104,642
Other receivables	5	<u>13,161</u>	<u>11,734</u>
		146,399	116,376
<b>Non-current assets</b>			
Property, plant and equipment	6	<u>47,633</u>	<u>53,974</u>
<b>Total assets</b>		<u>194,032</u>	<u>170,350</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accruals	7	<u>10,679</u>	<u>6,896</u>
<b>Total liabilities</b>		<u>10,679</u>	<u>6,896</u>
<b>NET ASSETS</b>		<u>183,353</u>	<u>163,454</u>
<b>FUNDS</b>			
<b>Unrestricted</b>			
Accumulated general fund		<u>181,003</u>	<u>160,254</u>
<b>Restricted</b>			
Lifeboat fund		1,150	2,000
Women's ministry fund		<u>1,200</u>	<u>1,200</u>
		2,350	3,200
		<u>183,353</u>	<u>163,454</u>

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

Note	Unrestricted	Restricted		Total Unrestricted and restricted funds S\$
	Accumulated general fund  S\$	Lifeboat fund  S\$	Women's ministry fund S\$	
<b>2014</b>				
<b>INCOME</b>				
<u>Voluntary income</u>				
	68,821	0	0	68,821
	33,286	0	0	33,286
	115,000	0	0	115,000
	102,702	0	0	102,702
	319,809	0	0	319,809
<u>Income from charitable activities</u>				
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
<u>Other income</u>				
	75,231	0	0	75,231
	75,231	0	0	75,231
Total income	395,040	0	0	395,040
<b>EXPENDITURE</b>				
<u>Cost of charitable activities</u>				
	17,923	0	0	17,923
	51	0	0	51
	324	0	0	324
	1,800	0	0	1,800
	0	850	0	850
	500	0	0	500
	0	0	0	0
	33,316	0	0	33,316
	865	0	0	865
	272	0	0	272
	3,000	0	0	3,000
	25,088	0	0	25,088
	7,563	0	0	7,563
	1,208	0	0	1,208
	201,297	0	0	201,297
	29,275	0	0	29,275
	307	0	0	307
	6,357	0	0	6,357
	0	0	0	0
	701	0	0	701
	329,847	850	0	330,697

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**  
**(CONT'D)**

	Unrestricted	Restricted		Total Unrestricted and restricted funds S\$
	Accumulated general fund  S\$	Lifeboat fund  S\$	Women's ministry fund S\$	
Note				
<b>2014</b>				
<u>Governance and other administrative costs</u>				
Accounting fee	2,500	0	0	2,500
Audit fee	3,000	0	0	3,000
Bank charges	97	0	0	97
Condolences expenses	0	0	0	0
Depreciation	9,837	0	0	9,837
General expenses	3,058	0	0	3,058
Insurance	2,959	0	0	2,959
Legal & professional fees	272	0	0	272
Leasing of photocopier	3,394	0	0	3,394
Membership fee	0	0	0	0
Office equipment maintenance	1,111	0	0	1,111
Office cleaning	0	0	0	0
Printing, postage and stationary	2,734	0	0	2,734
Publication	1,798	0	0	1,798
Refreshment	3,047	0	0	3,047
Repair & maintenance	769	0	0	769
Telecom charges	4,448	0	0	4,448
Training expenses	0	0	0	0
Transport	4,230	0	0	4,230
Upkeep of motor vehicle	0	0	0	0
Website hosting	1,190	0	0	1,190
	<u>44,444</u>	<u>0</u>	<u>0</u>	<u>44,444</u>
 Total expenditure	 <u>374,291</u>	 <u>850</u>	 <u>0</u>	 <u>375,141</u>
<b>Net Income/ (expenditure)</b>	20,749	(850)	0	19,899
Total fund brought forward	<u>160,254</u>	<u>2,000</u>	<u>1,200</u>	<u>163,454</u>
 <b>Total fund brought forward</b>	 <u>181,003</u>	 <u>1,150</u>	 <u>1,200</u>	 <u>183,353</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

Note	Unrestricted	Restricted		Total Unrestricted and restricted funds S\$
	Accumulated general fund  S\$	Lifeboat fund  S\$	Women's ministry fund  S\$	
<b>2013</b>				
<b>INCOME</b>				
<u>Voluntary income</u>				
	8,700	0	0	8,700
	46,417	0	0	46,417
	108,000	0	0	108,000
	44,590	0	0	44,590
	<u>207,707</u>	<u>0</u>	<u>0</u>	<u>207,707</u>
<u>Income from charitable activities</u>				
	2,742	0	0	2,742
	463	0	0	463
	120	0	0	120
	<u>3,325</u>	<u>0</u>	<u>0</u>	<u>3,325</u>
<u>Other income</u>				
	11,161	0	0	11,161
	<u>222,193</u>	<u>0</u>	<u>0</u>	<u>222,193</u>
<b>EXPENDITURE</b>				
<u>Cost of charitable activities</u>				
	0	0	0	0
	254	0	0	254
	2491	0	0	2491
	0	0	0	0
	0	2,700	0	2,700
	850	0	0	850
	1,188	0	0	1,188
	32,466	0	0	32,466
	0	0	0	0
	0	0	0	0
	0	0	0	0
	20,663	0	0	20,663
	8,140	0	0	8,140
	184,764	0	0	184,764
	5,825	0	0	5,825
	0	0	0	0
	4,993	0	0	4,993
	2,783	0	0	2,783
	4,025	0	0	4,025
	<u>269,238</u>	<u>2,700</u>	<u>0</u>	<u>271,938</u>



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**  
**(CONT'D)**

	Note	Unrestricted	Restricted		Total Unrestricted and restricted funds S\$
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	
<b>2013</b>					
<u>Governance and other administrative costs</u>					
Accounting fee		1,900	0	0	1,900
Audit fee		2,675	0	0	2,675
Bank charges		90	0	0	90
Condolences expenses		173	0	0	173
Depreciation	6	10,242	0	0	10,242
General expenses		188	0	0	188
Insurance		346	0	0	346
Legal & professional fees		546	0	0	546
Leasing of photocopier		1,862	0	0	1,862
Membership fee		876	0	0	876
Office equipment maintenance		0	0	0	0
Office cleaning		1,832	0	0	1,832
Printing, postage and stationary		775	0	0	775
Publication		4,610	0	0	4,610
Refreshment		1,097	0	0	1,097
Repair & maintenance		2,329	0	0	2,329
Telecom charges		2,467	0	0	2,467
Training expenses		6,835	0	0	6,835
Transport		110	0	0	110
Upkeep of motor vehicle		3,978	0	0	3,978
Website hosting		1,440	0	0	1,440
		44,371	0	0	44,371
<b>Total expenditure</b>		313,609	2,700	0	316,309
<b>Net expenditure</b>		(91,416)	(2,700)	0	(94,116)
Total fund brought forward		251,670	4,700	1,200	257,570
<b>Total fund brought forward</b>		160,254	2,000	1,200	163,454

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Balance at beginning of financial year S\$	Net (expenditure) for the year S\$	Balance at end of financial year S\$
<b>2014</b>			
<b>Unrestricted fund</b>			
Accumulated general fund	<u>160,254</u>	<u>20,749</u>	<u>181,003</u>
<b>Restricted funds</b>			
- Lifeboat fund	2,000	(850)	1,150
- Women's Ministry Fund	<u>1,200</u>	<u>0</u>	<u>1,200</u>
	<u>3,200</u>	<u>(850)</u>	<u>2,350</u>
	<u>163,454</u>	<u>19,899</u>	<u>183,353</u>

	Balance at beginning of financial year S\$	Net (expenditure)/ income for the year S\$	Balance at end of financial year S\$
<b>2013</b>			
<b>Unrestricted fund</b>			
Accumulated general fund	<u>251,670</u>	<u>(91,416)</u>	<u>160,254</u>
<b>Restricted funds</b>			
- Lifeboat fund	4,700	(2,700)	2,000
- Women's Ministry Fund	<u>1,200</u>	<u>0</u>	<u>1,200</u>
	<u>5,900</u>	<u>(2,700)</u>	<u>3,200</u>
	<u>257,570</u>	<u>(94,116)</u>	<u>163,454</u>

The accompanying notes form an integral part of these financial statements.

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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	2014 S\$	2013 S\$
<b>Cash flows from operating activities</b>			
Net Income/(expenditure)		19,899	(94,116)
Adjustments for:			
- Depreciation of property, plant and equipment	6	<u>9,836</u>	<u>10,242</u>
Operating cash flow before working capital changes		29,735	(83,874)
Changes in working capital			
- Other receivables		(1,427)	(3,188)
- Accruals		<u>3,783</u>	<u>(1,465)</u>
<b>Net cash provided by/ (used in) operating activities</b>		<u>32,091</u>	<u>(88,527)</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	6	<u>(3,495)</u>	<u>(4,916)</u>
<b>Net cash used in investing activities</b>		<u>(3,495)</u>	<u>(4,916)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of financial year		28,596	(93,443)
<b>Cash and cash equivalents at end of financial year</b>	4	<u>104,642</u> <u>133,238</u>	<u>198,085</u> <u>104,642</u>
<b>Cash and bank balances comprise:</b>			
Cash on hand		224	730
Cash at bank		<u>133,014</u>	<u>103,912</u>
	4	<u>133,238</u>	<u>104,642</u>

The accompanying notes form an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

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

**1. General information**

One Hope Centre (the "Society") was registered on 07 August 2004 under the Societies Act (Chapter 311). The Society is a charity registered under the Charities Act since 12 November 2010.

The Society's registered address and principal place of business is at 8 New Industrial Road #04-04B, LHK 3 Building, Singapore 536200.

One Hope Centre is a voluntary welfare organization, which seeks to assist members of the public who as a result of gambling are:

- Facing difficulties managing their finances due to their inability to pay creditors.
- Harassed by unlicensed moneylenders due to their inability to meet regular payments.
- Finding difficulties making ends meet due to loss of employment and having to settle for a lesser paying job.

The Society has been accorded the Institutions of a Public Character ("IPC") status for the period from 1 August 2013 to 31 July 2015.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**Interpretations and amendments to published standards effective in 2014**

The Society has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Society and had no material effect on the amounts reported for the current or prior financial years.

Standards issued but not yet effective

The Society has not adopted the following new / revised FRS, INT FRS and amendments to FRSs that have been issued but not yet effective:

## 2.1 Basis of preparation (Cont'd)

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 19	1.7.2014	Amendments - Employee benefits - defined benefit plans: Employee contributions
FRS 102	1.7.2014	Improvements 2012 - Shared-based payment
FRS 103	1.7.2014	Improvements 2012 - Business combinations
FRS 108	1.7.2014	Improvements 2012 - Operating segments
FRS 16	1.1.2016	Improvements 2012 - Property, plant and equipment
FRS 38	1.1.2016	Improvements 2012 - Intangible assets
FRS 24	1.7.2014	Improvements 2012 - Related party disclosures
FRS 103	1.7.2014	Improvements 2013 - Business combinations
FRS 113	1.7.2014	Improvements 2013 - Fair value measurement
FRS 40	1.7.2014	Improvements 2013 - Investment property
FRS 16	1.1.2016	Amendments - Property, plant and equipment - Clarification of acceptable methods of depreciation and amortisation
FRS 38	1.1.2016	Amendments - Intangible assets - Clarification of acceptable methods of depreciation and amortisation
FRS 114	1.1.2016	Regulatory deferral accounts

### Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Revenue is recognised as follows:

#### 2.1.1 Government grants

Government grants are recognized as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

#### 2.1.2 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognized as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

#### 2.2.3 Jobs credit scheme

The Jobs Credit scheme is government's cash grants paid to employers to help them preserve jobs. The grant is recognised on receipt basis.

## 2.2 Property, plant and equipment

### 2.2.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## **2.3 Property, plant and equipment**

### **2.3.1 Depreciation**

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

	Useful lives
Office Equipment	5 years
Motor Vehicle	10 years
Furniture & fittings	10 years
Renovation	10 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

### **2.3.2 Subsequent expenditure**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

### **2.3.3 Disposal**

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

## **2.4 Impairment of non-financial assets**

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.5 Fair value estimation financial assets and liabilities**

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

### **2.6 Other payables and accruals**

Other payables and accruals are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

### **2.7 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.8 Operating leases**

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

### **2.9 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial activities.

### **2.10 Financial assets**

#### **2.10.1 Classification**

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "Other receivables" on the statement of financial position.

## **2. Significant accounting policies (Cont'd)**

### **2.10 Financial assets**

#### **2.10.2 Recognition and derecognition**

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

#### **2.10.3 Measurement**

Financial assets are initially recognized at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortized cost using effective interest method. Financial assets, available-for-sale, are subsequently carried at fair value.

#### **2.10.4 Impairment**

The Society assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

##### Loans and receivables

An allowance for impairment of loans and receivables including trade and other receivables, is recognized when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

### **2.11 Employee compensation**

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due. Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

### **2.12 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institution. Cash and cash equivalents are classified within "cash and bank balances" on the statement of financial position.

### **2.13 Related parties**

Related parties are entities with one or more common management committee members, or in which a committee member has a direct or indirect financial interest. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.



**3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical judgements in applying the entity's accounting policies**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Estimated useful lives of property, plant and equipment*

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

*Impairment of property, plant and equipment*

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

**4. Cash and bank balances**

	2014	2013
	S\$	S\$
Cash in hand	224	730
Cash at bank	<u>133,014</u>	<u>103,912</u>
	<u>133,238</u>	<u>104,642</u>

At the statement of financial position date, the carrying amounts of cash and bank balances approximated their fair values.

**5. Other receivables**

	2014	2013
	S\$	S\$
Deposits	6,967	5,467
Prepayment	<u>6,194</u>	<u>6,267</u>
	<u>13,161</u>	<u>11,734</u>

At the statement of financial position date, the carrying amounts of other receivables approximated their fair values.

**6. Property, plant and equipment**

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
<b>2014</b>				
<b>Cost</b>				
Office equipment	10,985	3,495	0	14,480
Motor vehicle	33,258	0	0	33,258
Furniture & fittings	11,136	0	0	11,136
Renovation	39,344	0	0	39,344
	<u>94,723</u>	<u>3,495</u>	<u>0</u>	<u>98,218</u>
<b>Accumulated depreciation</b>				
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of Year S\$
Office equipment	8,291	1,462	0	9,753
Motor vehicle	13,304	3,326	0	16,630
Furniture & fittings	3,418	1,114	0	4,532
Renovation	15,736	3,934	0	19,670
	<u>40,749</u>	<u>9,836</u>	<u>0</u>	<u>50,585</u>
<b>Net book value</b>				
	Balance at beginning of year S\$			Balance at end of year S\$
Office equipment	3,102			1,687
Motor vehicle	23,280			16,628
Furniture & fittings	5,376			6,604
Renovation	27,542			19,674
	<u>59,300</u>			<u>47,633</u>
<b>2013</b>				
<b>Cost</b>				
Office equipment	9,525	1,460	0	10,985
Motor vehicle	33,258	0	0	33,258
Furniture & fittings	7,680	3,456	0	11,136
Renovation	39,344	0	0	39,344
	<u>89,807</u>	<u>4,916</u>	<u>0</u>	<u>94,723</u>
<b>Accumulated depreciation</b>				
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of Year S\$
Office equipment	6,423	1,868	0	8,291
Motor vehicle	9,978	3,326	0	13,304
Furniture & fittings	2,304	1,114	0	3,418
Renovation	11,802	3,934	0	15,736
	<u>30,507</u>	<u>10,242</u>	<u>0</u>	<u>40,749</u>

**11. Tax-exempt receipts**

The company issued tax-exempt receipts for donations collected amounting to S\$160,298 for 2014 and S\$18,900 for 2013.

**12. Financial risk management**

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the management committee on an informal basis.

(i) Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the management committee to fund the Society's operations.

(ii) Credit risk

The Society has minimal exposure to credit risks due to the nature of its activities.

(iii) Interest rate risk

The Society's policy is to obtain the most favourable interest rates available in the market. Surplus funds are placed with reputable banks.

(iv) Foreign currency risk

The Society does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

The responsibility for managing the above risks is vested in the Management Committee.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

**13. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on

15 APR 2015