

HOPEHOUSE ANNUAL REPORT JULY 2014 – JUN 2015

1. HOPEHOUSE VISION & MISSION

1.1 Vision: An oasis of Hope

1.2 Mission: Giving youths hope for a new beginning.

- *To give youths (aged 16 to 21 years) the hope, care and support that can make a difference to help and guide them back to meaningful lives.*
- *To provide a home environment that is conducive for their emotional, social, and educational developments and to enable them to grow their full potential.*
- *To facilitate the reintegration back into their families and to society; to nurture them to become responsible adults.*

2. HOPEHOUSE OBJECTIVES

2.1 HopeHouse is open to youths at risk, aged between 16 to 21 years, regardless of racial and religious backgrounds.

2.2 HopeHouse believes that every person is unique and capable of change for the better. In this respect, HopeHouse operates with flexible and customised programmes to help each resident develop and achieve his best potential.

2.3 HOPEHOUSE will:

- Provide temporary lodging, food and counselling to youths at risk, who face difficulties and problems due to a variety of reasons e.g. dysfunctional families, etc
- Provide shelter in accordance with a Court Order or as decided by the HopeHouse Admission Committee.
- Develop individualised programmes that will assist in reintegrating the youths back into their respective families and society.

2.4 In the future, the project can be expanded to set up a Home for girls.

3. INCORPORATION & LOCATION OF HOPEHOUSE

3.1 HopeHouse is incorporated as a Company Limited by Guarantee (Company Regn. 201010093H) and is a Registered Charity. HH is also an approved Institution of a Public Character (IPC No. 000728).

3.2 HH is located at 490 East Coast Road (next to St. Patrick's Secondary School), Singapore 429058. The facility can currently accommodate up to 16 residents.

4. **KEY FINANCIALS**

4.1 Total Income (a) = \$351,752
Total Expenditure (b) = \$344,718
Surplus = (a) – (b) = \$7,034

4.2 Total Fund Raising Expenses (a) = \$1,949
Total Income (donations + fund raising income) (b) = \$219,168
Fund Raising Efficiency Ratio* = (a) / (b) = 0.01
** The ratio determines the fund raising cost to generate every dollar of income*

4.3 Expenditure on charitable activities (a) = \$337,509
Total Expenditure (b) = \$344,718
Charitable Commitment** = (a) / (b) = 0.98
*** The ratio indicates the amount spent on charitable purposes for every dollar spent on overheads, fund raising, admin and management*

4.4 Financial Assets less Liabilities (a) = \$433,888
Total Expenditure (b) = \$344,718
Reserves Ratio*** = (a) / (b) = 1.26
**** The ratio indicates the total accumulated reserves over annual operating expense and the current ratio is equivalent to about 15 months. The organisation has set a reserves ratio target of 3, which is equivalent to 36 months*

5. **RESIDENT PROFILE**

5.1 This year, HopeHouse had admitted 18 residents, with ages ranging from 16 to 22 years and among them, 13 Chinese, 4 Indians and 1 Japanese. For those who had already been discharged, their duration of stay varied from 2.5 months to about 12 months. The average length of stay was about 6 months.

5.2 The residents were admitted due to various needs. Many were due to difficult family relationships and issues and others were due to anger issues, improper conduct, theft, abuse, rioting and drinking.

5.3 HopeHouse worked closely with the Ministry of Social and Family Development (MSF) and admitted mainly youths referred from MSF. Of the 18 residents, 12 were in conflict with the law and were admitted on probation, while 3 were referred by MSF for Care and Protection. The other 3 residents were admitted on compassionate grounds referred by other agencies.

5.4 There were 7 residents who were discharged during the year. 6 of them were on probation orders and 1 was on compassionate grounds. 3 of the 6 residents on probation had successfully completed their probation order periods while 3 were transferred to other homes with a more structured environment and routine. The resident on compassionate grounds was discharged and returned home after his family conditions had improved.

6. PROGRAMMES AND ACTIVITIES DURING THE YEAR

- 6.1 Get-together meals were organised for relaxation, interaction and the development of social skills. The residents had Barbeque Nights with the old boys of St Patrick's School, a Church group and among themselves a barbeque and sushi dinner to relax and enjoy. They youths also organised and prepared a Popiah Party for interaction with each other, the staff and board members.
- 6.2 During Chinese New Year, the residents had a traditional "Lo-Hei" meal and celebration with the staff and directors.
- 6.3 As part of the Hari Raya Celebrations, the residents had a fun outing to Geylang Serai for shopping and makan.
- 6.4 For Christmas, the residents turned hosts and organised a party night of fun with barbeque and interaction for all staff, board members and families.
- 6.5 Other games and makan sessions included an afternoon of games and good food with a Church group and on another occasion with a community group of 15 ladies. The residents were also treated to a special meal prepared and cooked by a group of Seminarians as part of their outreach programme.
- 6.6 To build confidence and social interaction skills with others outside the Home, the residents were encouraged to chat with guests during the afternoon of Tea which was organised for residents, staff & board members to meet up and interact with friends, donors, volunteers and partners of HopeHouse. On another occasion, the residents also mingled with donors from a Charitable Foundation and later with the then MP for Joo Chiat Mr Charles Chong and his team of grassroot leaders when they visited the Home. In turn, Mr Charles Chong invited the residents to join them at their National Day Dinner with his constituents.
- 6.7 As a form of appreciation and interaction, an Appreciation Night was organised for the residents and ex-residents who had graduated from the Home and MSF Officers to interact and catch-up with each other.
- 6.8 Movie nights and dinner were organised and these were followed with reflection and discussion sessions on the message and learning points of the movies.
- 6.9 Outings and Sports activities were organised for the residents to socialise, relax and let their hair down. They had a cycling outing and seafood dinner at East Coast. The youths also enjoyed themselves at funfair treats at St Anthony's Primary School and Assisi Hospice. The residents also participated with the Macquarie Bank staff at the Green Corridor Run.
- 6.10 Life-skills development activities were conducted. Residents attended sessions on Self Image & Grooming and Western Dinner Etiquette with actual practice session at a restaurant. Life-Lessons Sharing sessions were conducted to impart to the residents independent living skills. They also had a self evaluation session and goal setting activities were conducted to identify their strength and weaknesses. This was followed up with another session where the residents shared their dreams and goals with the staff and directors.

- 6.11 Residents and staff were also invited on a familiarisation visit to an organisation to understand more about their organisation setup with the possibility of an internship place at the organisation for some of the youths.
- 6.12 On a slightly more serious note, an educational talk on Fire Safety was organised for all the staff and residents to create awareness of maintaining good fire safety habits.
- 6.13 All residents were strongly encouraged to participate in the monthly community service soup-kitchen project at the "Our Lady of Lourdes Church" to understand the plight of others in need and how, working together, a little effort and contribution from everyone can go a long way in helping others, be it Singaporeans or migrants.
- 6.14 The residents also helped regularly in the preparation of pastries and curry puffs and the distribution of food to the poor at the "Our Lady of Perpetual Succour Church".
- 6.15 Together with volunteers and staff, the residents helped organised a year-end special Christmas Community Party for about 400 migrant workers and their friends at the "Our Lady of Lourdes" Church.
- 6.16 One-on-One dialogue sessions and personal counselling with all residents were conducted.
- 6.17 Family counselling sessions were carried out for specific residents.

7. **BOARD MEMBERS**

7.1 Board of Directors:

Cecilia Chua (Chairperson)	cecilia@hopehouse.sg
Brother Collin Wee (Home Mentor)	collin@hopehouse.sg
Linda Low	linda@hopehouse.sg
Cindy Lim	cindy@hopehouse.sg
Richard Ng	richard@hopehouse.sg
Robert Conceicao	robert@hopehouse.sg

8. **GOVERNANCE EVALUATION CHECKLIST**

- 8.1 HopeHouse's annual governance evaluation checklist is attached in Annex 1 and also available at the Charity Portal website www.charities.gov.sg

9. **AUDITED FINANCIAL STATEMENTS FY END 30 JUN 2015**

- 9.1 HopeHouse's annual audited Financial Statements is attached in Annex 2 and also available at the Charity Portal website www.charities.gov.sg

GOVERNANCE EVALUATION CHECKLIST

This Submission is for the Evaluation Period 01/07/2014 to 30/06/2015

S/N	Code Description	Code ID	Compliance	Explanation (if the Code guideline is not complied to or not applicable)
	BOARD GOVERNANCE			
1	Are there Board members holding staff appointments?		Yes	Founding member is a Board member who holds the position of Home Mentor to keep the spirit of the home alive.
2	If the governing instrument permits staff to become Board members, they should comprise not more than one-third of the Board.	1.1.2	Complied	
3	Staff does not chair the Board.	1.1.2	Complied	
4	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Not Applicable	Organisation does not have a Treasurer position.
5	There are Board committees (or designated Board members) with documented terms of reference.	1.2.1	Complied	
6	The Board meets regularly with a quorum of at least one-third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied	
	CONFLICT OF INTEREST			
7	There are documented procedures for the Board members and staff to declare actual or potential conflicts of interest to the Board	2.1	Complied	
8	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	

	STRATEGIC PLANNING			
9	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied	
10	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives	3.2.2	Complied	
	HUMAN RESOURCE MANAGEMENT			
11	The Board approves documented human resource policies for staff.	5.1	Complied	
12	There are systems for regular supervision, appraisal and professional development of staff	5.6	Complied	
	FINANCIAL MANAGEMENT AND CONTROLS			
13	The Board ensures internal control systems for financial matters are in place with documented procedures	6.1.2	Complied	
14	The Board ensures reviews on the charity's controls, processes, key programmes and events	6.1.3	Complied	
15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure	6.2.1	Complied	
16	The charity discloses its reserves policy in the annual report	6.4.1	Complied	
17	Does the charity invest its reserves? (Skip item 18 if "No")		No	To date, funds are raised for operating purposes. Will invest reserves when the organisation has significant funds
18	The charity invests its reserves in accordance with an investment policy approved by the Board. It obtains advice from qualified professional advisors, if deemed necessary by the Board.	6.4.3		

	FUNDRAISING PRACTICES			
19	Donations collected are properly recorded and promptly deposited by the charity	7.2.2	Complied	
	DISCLOSURE AND TRANSPARENCY			
20	The charity makes available to its shareholders an annual report that includes information on its programmes, activities, audited financial statements, Board members and executive management.	8.1	Complied	
21	Are Board members remunerated for their Board services?		No	
22	No Board member or staff is involved in setting his or her own remuneration.	2.2	Complied	
23	The charity discloses the exact remuneration and benefits received by each Board member in the annual report.	8.2	Complied	
24	Does the charity employ paid staff? Remarks: (Skip questions 25 and 26 if "No")		Yes	
25	No staff is involved in setting his or her own remuneration.	2.2	Complied	
26	The charity discloses in its annual report the annual remuneration of its three highest paid staff who each receives remuneration exceeding \$100,000, in bands of \$100,000. If none of its top three highest paid staff receives more than \$100,000 in annual remuneration each, the charity discloses this fact.	8.3	Complied	
	PUBLIC IMAGE			
27	The charity accurately portrays its image to its members, donors and the public	9.1	Complied	

HOPEHOUSE LTD.

(Company No.: 201010093H)

(Incorporated In the Republic of Singapore)

FINANCIAL STATEMENTS - 30 June 2015

ROBERT YAM & CO.,



HOPEHOUSE LTD.

(Company No.: 201010093H)

(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS - 30 June 2015

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HOPEHOUSE LTD.

Directors' Report For The Financial Year Ended 30 June 2015

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The directors present their report to the members together with the audited financial statements of Hopehouse Ltd. (the "Charity") for the financial year ended 30 June 2015.

Directors

The directors in office at the date of this report are:

Cecilia Chua
Collin Wee Kim Chye
Linda Low Philomina
Cindy Lim Li Koon
Richard Ng Jui Hian
Robert Aloysius Conceicao

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Charity a party to any arrangement whose object was to enable the directors of the Charity to acquire benefits by means of the acquisition of shares in, or debentures, of the Charity or any other body corporate.

Directors' interest in shares and debentures

The Charity is limited by guarantee. There were no shares or debentures in issue in the Charity at the end of financial year.

No director who held office at the end of the financial year had interests in share, share options, warrants or debentures of the Charity, or of related corporations either at the beginning of the financial year or at the end of the financial year.

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Charity has received or become entitled to receive a benefit by reason of a contract made by the Charity with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.


Share options

The Charity is limited by guarantee. As such, there are no share options or unissued shares under option.

Independent Auditor

The independent auditor, Robert Yam & Co., has expressed its willingness to accept reappointment.

On behalf of the board of directors:



Cecilia Chua
Director




Collin Wee Kim Chye
Director

18 NOV 2015


In the opinion of the directors:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Charity as at 30 June 2015 and the financial performance, changes in equity and cash flows of the Charity for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

On behalf of the board of directors:



Cecilia Chua
Director



Collin Wee Kim Chye
Director

1 8 NOV 2015

HOPEHOUSE LTD.

Independent Auditor's Report

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To the members of Hopehouse Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Hopehouse Ltd. (the "Charity"), which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity 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 Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") 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 financial statements and to maintain accountability of assets.

Auditor's 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 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 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.

HOPEHOUSE LTD.

Independent Auditor's Report

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To the members of Hopehouse Ltd. (cont'd)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Charity as at 30 June 2015 and the financial performance, changes in equity and cash flows of the Charity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing came to our attention that caused us to believe that during the year:

- a. The use of the donation moneys was not in accordance with the objectives of the Charity as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Charity has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public-Character) Regulations.

Robert Yam & Co

Robert Yam & Co.

Public Accountants and
Chartered Accountants
Singapore

18 November 2015

HOPEHOUSE LTD.**Statement of Financial Position as at 30 June 2015****5**

	Note	2015 S\$	2014 S\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	154,312	186,192
Current Assets			
Other current assets	5	350	200
Cash and cash equivalents	6	450,189	445,955
		450,539	446,155
Total assets		604,851	632,347
		=====	=====
EQUITY AND LIABILITIES			
Equity			
Accumulated funds		588,550	581,516
Total equity		588,550	581,516
Current Liabilities			
Other payables	7	16,301	50,831
Net Current Assets		434,238	395,324
Total liabilities		16,301	50,831
Net Assets		588,550	581,516
Total equity and liabilities		604,851	632,347
		=====	=====

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

HOPEHOUSE LTD.**Statement of Comprehensive Income
For the financial year ended 30 June 2015****6**

	Note	Unrestricted funds 2015 S\$	Unrestricted funds 2014 S\$
<u>Incoming resources</u>			
Incoming resources from generated funds:			
- Voluntary income	8	340,094	516,842
- Fruits and nuts project		4,116	-
Other income	9	7,542	10,521
		<u>351,752</u>	<u>527,363</u>
<u>Resources expended</u>			
Operating costs	10	335,560	215,948
Costs relating to fruits and nuts projects		1,949	-
Governance costs	11	7,094	5,500
Finance costs	12	115	96
		<u>344,718</u>	<u>221,544</u>
Total resources expended			
		<u>344,718</u>	<u>221,544</u>
Net surplus, representing total comprehensive income for the year		7,034 =====	305,819 =====

**Statement of Changes in Equity
for the financial year ended 30 June 2015**

	Accumulated funds S\$
At 1 July 2013	275,697
Net surplus, representing total comprehensive income for the year	305,819
Balance at 30 June 2014	<u>581,516</u>
Net surplus, representing total comprehensive income for the year	7,034
Balance at 30 June 2015	<u>588,550</u> =====

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

HOPEHOUSE LTD.**Statement of Cash Flows
For the financial year ended 30 June 2015****7**

	Note	2015 S\$	2014 S\$
Cash flows from operating activities:			
Net surplus		7,034	305,819
<u>Adjustments for:</u>			
Depreciation expenses	4	39,584	12,168
Operating cash flows before changes in working capital		46,618	317,987
<u>Changes in working capital:</u>			
Other current assets		(150)	100
Other payables		(34,530)	46,873
Net cash from operating activities		11,938	364,960
Cash flows from investing activities:			
Purchase of property, plant and equipment	4	(7,704)	(196,300)
Net cash used in investing activities		(7,704)	(196,300)
Net increase in cash and cash equivalents		4,234	168,660
Cash and cash equivalents at beginning of year		445,955	277,295
Cash and cash equivalents at end of year	6	450,189 =====	445,955 =====

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

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

1. General information

Hopehouse Ltd. (the "Charity"), a company limited by guarantee, is incorporated and domiciled in the Singapore.

The registered office and principal place of operations of the Charity is located at 490 East Coast Road, Singapore 429058.

The Charity is registered as a charity under the Charities Act, Cap 37 on 19 October 2010 and has acquired IPC status for a period of two years and eight months, with effect from 1 June 2013.

The principal activities of the Charity are to provide rooms, boarding, care and counseling to boys aged 16 and above.

The financial statements for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of directors on 18 November 2015.

2. Significant accounting policies**(a) Basis of preparation**

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Charity's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Charity has adopted all the new and revised standards and interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Charity.

(b) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is 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. Significant accounting policies (cont'd)**(b) Property, plant and equipment (cont'd)**

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Charity and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss as incurred.

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

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

	<u>Useful lives</u>
Renovation	3 years
Motor vehicle	10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) 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, the 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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2. Significant accounting policies (cont'd)**(c) Impairment of non-financial assets (cont'd)**

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

(d) Financial assets**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement**Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(e) Impairment of financial assets

The Charity assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Charity first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Charity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

2. Significant accounting policies (cont'd)**(e) Impairment of financial assets (cont'd)****Financial assets carried at amortised cost (cont'd)**

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Charity considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank.

(g) Financial liabilities**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

2. Significant accounting policies (cont'd)**(g) Financial liabilities (cont'd)**Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Provisions

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

(i) Revenue recognition

Donations in cash are recognised as income upon receipt of donation.

Donations in kind which include gift vouchers are recorded as income based on a reasonable estimate of their gross value which will usually be the price that the Charity estimates it would have to pay in the open market for an equivalent item.

(j) Employee benefits**(i) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Charity pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Charity has no further payment obligations once the contributions have been paid.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

(k) Functional and presentation currency

Items included in the financial statements of the Charity are measured using the currency of the primary economic environment in which the Charity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Charity.

2. Significant accounting policies (cont'd)**(i) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments. Grants that compensate the Charity for expenses incurred are recognised in profit or loss as income on a systematic basis in the same periods in which the expenses are recognised.

3. Members' guarantee

The Charity is a company limited by guarantee whereby every member of the Charity undertakes to contribute to the assets of the Charity, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Charity contracted before he or she ceases to be member, and the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding the sum of S\$10 only.

As at 30 June 2015, the Charity has 6 (2014: 6) members.

4. Property, plant and equipment

	Renovation S\$	Motor vehicle S\$	Total S\$
<u>2015</u>			
Cost			
At 1 July 2014	133,037	116,478	249,515
Additions	7,704	-	7,704
At 30 June 2015	140,741	116,478	257,219
Accumulated depreciation			
At 1 July 2014	60,411	2,912	63,323
Depreciation charge	27,936	11,648	39,584
At 30 June 2015	88,347	14,560	102,907
Net book value			
At 30 June 2015	52,394	101,918	154,312
	=====	=====	=====

4. Property, plant and equipment (cont'd)

	Renovation S\$	Motor vehicle S\$	Total S\$
<u>2014</u>			
Cost			
At 1 July 2013	53,215	-	53,215
Additions	79,822	116,478	196,300
At 30 June 2014	<u>133,037</u>	<u>116,478</u>	<u>249,515</u>
Accumulated depreciation			
At 1 July 2013	51,155	-	51,155
Depreciation charge	9,256	2,912	12,168
At 30 June 2014	<u>60,411</u>	<u>2,912</u>	<u>63,323</u>
Net book value			
At 30 June 2014	<u>72,626</u> =====	<u>113,566</u> =====	<u>186,192</u> =====

5. Other current assets

	2015 S\$	2014 S\$
Prepayments	350 =====	200 =====

6. Cash and cash equivalents

	2015 S\$	2014 S\$
Cash on hand	222	524
Cash at bank	449,967	445,431
	<u>450,189</u> =====	<u>445,955</u> =====

7. Other payables

	2015 S\$	2014 S\$
Accrued expenses	16,194	8,031
Sundry payables	107	42,800
	<u>16,301</u> =====	<u>50,831</u> =====

Sundry payables are non-trade in nature, unsecured, non-interest bearing and are repayable on demand.

8. Voluntary income

	2015 S\$	2014 S\$
Donations	215,052	238,732
Grants from the Ministry of Social and Family Development	125,042	278,110
	<u>340,094</u>	<u>516,842</u>
	=====	=====

Tax-exempt receipts of S\$105,573 (2014: S\$77,350) have been issued for donations received.

9. Other income

	2015 S\$	2014 S\$
Special employment credit grant from government	4,239	3,833
Wage credit scheme grant from government	3,303	2,688
Haze mitigation	-	4,000
	<u>7,542</u>	<u>10,521</u>
	=====	=====

10. Operating costs

	2015 S\$	2014 S\$
Casual wages	30,600	25,550
Consultancy fees	-	12,000
Depreciation of property, plant and equipment	39,584	12,168
Food and refreshment	20,089	30,649
Fixed assets expensed off	924	5,824
Insurance	4,332	1,986
Medical expense	770	646
Pocket money	12,105	6,200
Printing and stationery	2,309	1,928
Postage and courier	49	-
Rental	24,000	-
Repair and maintenance	2,881	1,331
Reference books	269	-
Staff costs (Note 13)	136,754	93,312
Stipend	9,600	9,600
Seminar and training	1,813	794
Security services	32,400	5,313
Sundries	5,760	4,191
Study fee	3,267	-
Telecoms	2,178	1,307
Transport and travelling	130	288
Upkeep of motor vehicle	5,816	2,861
	<u>335,560</u>	<u>215,948</u>
	=====	=====

11. Governance costs

	2015 S\$	2014 S\$
Audit fee	5,494	3,900
Accounting fees	1,600	1,600
	<u>7,094</u>	<u>5,500</u>
	=====	=====

12. Finance costs

	2015 S\$	2014 S\$
Bank charges	115	96
	<u>115</u>	<u>96</u>
	=====	=====

13. Staff costs

	2015 S\$	2014 S\$
Staff salaries and bonus	117,179	81,897
CPF contributions	14,713	9,492
Other short-term employee benefit	4,862	1,923
	<u>136,754</u>	<u>93,312</u>
	=====	=====
Average number of employees	3	3
	<u>3</u>	<u>3</u>
	=====	=====

14. Income tax

There is no tax charge for the current period as the Charity is a registered charity and is exempt from tax under Section 13(1)(zm) of the Singapore Income Tax Act.

15. Related party transactions

No compensation is made to any of the directors of the Charity as their appointments are honorary.

16. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Note	2015 S\$	2014 S\$
<u>Financial assets</u>			
Loan and receivables:			
Cash and cash equivalents	6	450,189	445,955
		<u>450,189</u>	<u>445,955</u>
		=====	=====

16. Categories of financial assets and liabilities (cont'd)

	Note	2015 S\$	2014 S\$
<u>Financial liabilities</u>			
Financial liabilities measured at amortised cost:			
Other payables	7	16,301 =====	50,831 =====

A description of the accounting policies for each category of financial instruments is disclosed in Note 2(d) (Financial assets) and Note 2(g) (Financial liabilities). A description of the Charity's financial risk management objectives and policies for financial instruments is given in Note 17.

17. Financial risk management

The main risks arising from the Charity's financial instruments are credit risk and liquidity risk. The Charity does not use derivatives and other instruments in its risk management activities. The Charity does not hold or issue derivative financial instruments for trading purposes. The management reviews and agrees policies for managing each of these risks and they are summarised below:-

(a) Credit risk

Credit risk refers to the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The major class of financial assets of the Charity is cash and cash equivalents. The Charity minimises credit risk by dealing only with high credit quality counterparties.

At the end of the reporting period, the Charity's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

At the end of the reporting period, there is no concentration of credit risk except that the bank balance included in cash and cash equivalents is maintained with a single licensed bank in Singapore.

Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due nor impaired are mainly deposits placed with a reputable licensed bank with high credit ratings.

Financial assets that are past due and/or impaired

The Charity has no class of financial assets that is past due and/or impaired at the end of the reporting period.

(b) Liquidity risk

Liquidity risk is the risk that the Charity will encounter difficulty in meeting financial obligations due to shortage of funds. The Charity managed its liquidity risk by maintaining an adequate level of cash and cash equivalents.

17. Financial risk management (cont'd)**(b) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Charity's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

	1 year or less S\$	1 to 5 years S\$	Over 5 years S\$	Total S\$
2015				
Other payables	16,301	-	-	16,301
	=====	=====	=====	=====
2014				
Other payables	50,831	-	-	50,831
	=====	=====	=====	=====

18. Fair values of financial instruments

The carrying amounts of cash and cash equivalents and other payables are reasonable approximation of fair values due to their short term nature.

19. Capital management

The Charity's objectives when managing capital are to safeguard the Charity's ability to continue as a going concern. In order to maintain or achieve an optimal capital structure, the Charity may appeal for donation from the general public. The Charity's overall strategy remained unchanged from 2014.

The Charity manages capital based on a gearing ratio, which is net debt divided by total capital plus net debt. The Charity includes within net debts, other payables less cash and cash equivalents. Total capital comprises accumulated funds.

	2015 S\$	2014 S\$
Other payables	16,301	50,831
Less: Cash and cash equivalents	(450,189)	(445,955)
Net cash position	(433,888)	(395,124)
Accumulated funds, representing total capital	588,550	581,516
Capital and net debt	588,550	581,576
	=====	=====
Gearing ratio	-	-
	=====	=====

The Charity is not subject to any externally imposed capital requirements for the financial years ended 30 June 2015 and 2014.

20. New or revised accounting standards and interpretations

At the date of authorisation of these financial statements, the following standards and interpretations have been issued but not yet effective and which the Charity has not early adopted.

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 114	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 27 <i>Separate Financial Statements</i>	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Property, Plant and Equipment</i>	Clarifying of Acceptable Methods of Depreciation and Amortisation	
Amendments to FRS 16 and FRS 41 <i>Property, Plant and Equipment Intangible Assets Agriculture</i>	Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 111 <i>Joint Arrangements</i>	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 110 and FRS 28 <i>Consolidated Financial Statements Investments in Associate Joint Venture</i>	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	1 January 2016
FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Changes in Methods of Disposal	1 January 2016
FRS 107 <i>Financial Instruments: Disclosures</i>	Servicing Contracts Applicability of the Amendments to FRS 107 to Condensed Interim Financial Statements	1 January 2016
FRS 19 <i>Employee Benefits</i>	Discount Rate: Regional Market Issue	1 January 2016
FRS 34 <i>Interim Financial Reporting</i>	Disclosure of Information 'Elsewhere in the Interim Financial Report'	1 January 2016
FRS 115	Revenue from Contracts with Customers Illustrative Examples	1 January 2017

20. New or revised accounting standards and interpretations (cont'd)

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 109	Financial Instruments, Illustrative Examples, Implementation Guidance, Amendments to Guidance on Other Standards	1 January 2018
*	An entity shall prospectively apply that amendment to share-based payment transactions for which the grant date is on or after 1 July 2014.	
**	An entity shall apply that amendment prospectively to business combinations for which the acquisition date is on or after 1 July 2014.	

The directors expect that the adoption of standards and interpretations above will have no material impact on the financial statements of the Charity in the period of initial application.