

HOPEHOUSE ANNUAL REPORT JULY 2015 – JUN 2016

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 & above) 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 16 & above, 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.

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) = \$316,798
Total Expenditure (b) = \$387,066
Deficit = (a) – (b) = (\$70,268)
- 4.2 Total Fund Raising Expenses (a) = \$837
Total Income (donations + fund raising income) (b) = \$105,563
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) = \$379,943
Total Expenditure (b) = \$387,066
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) = \$404,793
Total Expenditure (b) = \$387,066
Reserves Ratio*** = (a) / (b) = 1.05
**** The ratio indicates the total accumulated reserves over annual operating expense and the current ratio is equivalent to about 12 months. The organisation has set a reserves ratio target of 3, which is equivalent to 36 months*
- 4.5 None of the staff in the organisation earns more than \$100,000 in annual remuneration.

5. **RESIDENT PROFILE**

- 5.1 This year, HopeHouse had admitted 20 residents, with ages ranging from 16 to 23 years and among them, 11 Chinese, 3 Malays, 2 Indians and 4 Others. For those who had already been discharged, their duration of stay varied from 1 month to about 24 months. The average length of stay was about 8 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 20 residents, 10 were in conflict with the law and were admitted on probation, while 4 were referred by MSF for Care and Protection. The other 6 residents were admitted on compassionate grounds referred by other agencies.
- 5.4 There were 14 residents who were discharged during the year. 7 of them were on probation orders, 3 were referred by MSF for care and protection and 4 were on compassionate grounds. 5 of the 7 residents on probation had successfully completed their probation order periods while 2 on probation were transferred to other homes with a more structured environment and routine. 3 of the 4 residents on compassionate grounds and 1 of the 3 residents referred by MSF for care and protection were discharged and returned home after their family conditions had improved. The remaining compassionate resident and 2 referred by MSF for Care and Protection had to be moved to alternative homes to receive more structured care and attention.

6. PROGRAMMES AND ACTIVITIES DURING THE YEAR

- 6.1 Get-together games and meals were organised for relaxation, interaction and the development of social skills. The residents had soccer and snooker games and barbeque meals with NUS Law students. A casual lunch and interaction with 40 members of a Siglap Neighbourhood group was also held.
- 6.2 The residents and staff celebrated the Chinese New Year with an outing and Barbeque dinner at the Changi Civil Service Club.
- 6.3 As part of the Hari Raya Celebrations, the residents had a fun outing to Geylang Serai for shopping and makan. The residents, staff and a Muslim group had a breaking-of-fast meal (Iftah) at HopeHouse and interacted to understand the meaning and significance of the meal. Some of the residents and staff also participated at a MUIS event with other Homes and the Muslim community ending with an Iftah meal.
- 6.4 For Christmas, the residents and staff interacted, shared their experiences, received their presents and had a special Christmas Dinner. They also helped manned game stalls and interacted with the public at the Joo Chiat CC Christmas Bazaar Event.
- 6.5 In return for the help rendered at the Bazaar, residents and staff were invited and had dinner at the Joo Chiat CC National Day Dinner and interacted with grassroots leaders and guests.
- 6.6 To build confidence and social interaction skills with others from 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 including the Probation Officers from the Ministry of Social and Family Development (MSF).
- 6.7 For a different experience, staff and residents were invited for a sponsored evening concert at the Esplanade on music from video games.
- 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 activities were organised for the residents to socialise, relax and let their hair down. They had a fun day at the River Safari and participated in a conducted tour and excursion trip around Singapore's historical sites. The youths also enjoyed themselves at a sponsored funfair treat at the Assisi Hospice.
- 6.10 A series of 4 workshops on "I am made for more" were conducted by the Family Life Society to help the residents to respect, understand and appreciate themselves more. This was followed up with a session on the importance of having "Character Values". A separate career talk on "What's Out There" about the current job opportunities available out in the market was conducted to help prepare the youths for independent living.
- 6.11 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.
- 6.12 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".

- 6.13 Together with volunteers and staff, the residents helped organised a year-end special Christmas Community Party for about 450 migrant workers and their friends at the "Our Lady of Lourdes" Church.
- 6.14 One-on-One dialogue sessions and personal counselling with all residents were conducted.
- 6.15 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 2016**

- 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 01/07/2015 to 30/06/2016

S/N	Code Description	Code ID	Compliance	Explanation (if the Code guideline is not complied to or not applicable)
	BOARD GOVERNANCE			
A	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.
1	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	
2	Staff does not chair the Board.	1.1.2	Complied	
3	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.
4	There Board has an Audit Committee (or designated Board members) with documented terms of reference.	1.2.1	Complied	
5	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			
6	There are documented procedures for the Board members and staff to declare actual or potential conflicts of interest to the Board	2.1	Complied	

7	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	
	STRATEGIC PLANNING			
8	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	
9	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			
10	The Board approves documented human resource policies for staff.	5.1	Complied	
11	There are systems for regular supervision, appraisal and professional development of staff	5.6	Complied	
	FINANCIAL MANAGEMENT AND CONTROLS			
12	The Board ensures internal control systems for financial matters are in place with documented procedures	6.1.2	Complied	
13	The Board ensures reviews on the charity's controls, processes, key programmes and events	6.1.3	Complied	
14	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure	6.2.1	Complied	
15	The charity discloses its reserves policy in the annual report	6.4.1	Complied	
B	Does the charity invest its reserves? (Skip item 16 if "No")		No	To date, funds are raised for operating purposes. Will invest reserves when the organisation has significant funds.

	FUNDRAISING PRACTICES			
17	Donations collected are properly recorded and promptly deposited by the charity	7.2.2	Complied	
	DISCLOSURE AND TRANSPARENCY			
18	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	
C	Are Board members remunerated for their Board services?		Yes	A token monthly \$1,500 and CPF contributions are made to Brother Collin only. And the cash component is put into the La Salle St Patrick's Community fund. Other Board members do not receive any remuneration.
19	No Board member or staff is involved in setting his or her own remuneration.	2.2	Complied	
20	The charity discloses the exact remuneration and benefits received by each Board member in the annual report.	8.2	Complied	
D	Does the charity employ paid staff? Remarks: (Skip questions 21 and 22 if "No")		Yes	
21	No staff is involved in setting his or her own remuneration.	2.2	Complied	
22	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			
23	The charity accurately portrays its image to its members, donors and the public	9.1	Complied	

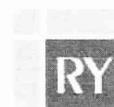
HOPEHOUSE LTD.

(UEN: 201010093H)

(Incorporated In the Republic of Singapore)

FINANCIAL STATEMENTS - 30 June 2016

ROBERT YAM & CO.



HOPEHOUSE LTD.

(UEN: 201010093H)

(Incorporated In the Republic of Singapore)

FINANCIAL STATEMENTS - 30 June 2016

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HOPEHOUSE LTD.

Directors' Statement

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The directors present their statement to the members together with the audited financial statements of Hopehouse Ltd. (the "Charity") for the financial year ended 30 June 2016.

In the opinion of the directors:

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Charity as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Charity for the financial year then ended; 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.

Directors

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

Collin Wee Kim Chye	(Appointed on 15 August 2016)
Gwee Chwee Kee Rupert	(Appointed on 15 August 2016)
Seet Pee Hock Nicholas	(Appointed on 15 August 2016)
Chia Boon Khiang	(Appointed on 15 August 2016)
Tan Hwang Poh Kelvin Powell	(Appointed on 15 August 2016)

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.

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:



Gwee Chwee Kee Rupert
Director



Collin Wee Kim Chye
Director

28 November 2016

HOPEHOUSE LTD.**Independent Auditor's Report
For the financial year ended 30 June 2016****2****To the members of Hopehouse Ltd.****Report on the Financial Statements**

We have audited the accompanying financial statements of Hopehouse Ltd. (the "Charity") set out on pages 4 to 18, which comprise the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the financial 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 For the financial year ended 30 June 2016

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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 2016 and the financial performance, changes in equity and cash flows of the Charity for the financial year then ended.

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 16 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 Public Accountants
Singapore

28 November 2016

HOPEHOUSE LTD.**Statement of Financial Position
As at 30 June 2016****4**

	Note	2016 S\$	2015 S\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	113,489	154,312
Current Assets			
Prepayments		-	350
Cash and cash equivalents	5	423,009	450,189
		423,009	450,539
Total assets		536,498	604,851
		=====	=====
EQUITY AND LIABILITY			
Equity			
Accumulated funds		518,282	588,550
Total equity		518,282	588,550
Current Liabilities			
Other payables	6	18,216	16,301
Net Current Assets		404,793	434,238
Total liabilities		18,216	16,301
Net Assets		518,282	588,550
Total equity and liabilities		536,498	604,851
		=====	=====

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

HOPEHOUSE LTD.**Statement of Comprehensive Income
For the financial year ended 30 June 2016****5**

	Note	Unrestricted funds 2016 S\$	Unrestricted funds 2015 S\$
<u>Incoming resources</u>			
Incoming resources from generated funds:			
- Voluntary income	7	300,088	340,094
- Fruits and nuts project		1,705	4,116
Other income	8	15,005	7,542
		<u>316,798</u>	<u>351,752</u>
<u>Resources expended</u>			
Operating costs	9	379,106	335,560
Costs relating to fruits and nuts projects		837	1,949
Governance costs	10	6,615	7,094
Finance costs	11	508	115
		<u>387,066</u>	<u>344,718</u>
Total resources expended			
		<u>387,066</u>	<u>344,718</u>
Net (deficit)/surplus, representing total comprehensive income for the year		(70,268) =====	7,034 =====

**Statement of Changes in Equity
for the financial year ended 30 June 2016**

	Accumulated funds S\$
Balance at 1 July 2014	581,516
Net surplus, representing total comprehensive income for the year	7,034
Balance at 30 June 2015	<u>588,550</u> =====
Balance at 1 July 2015	588,550
Net deficit, representing total comprehensive income for the year	(70,268)
Balance at 30 June 2016	<u>518,282</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 2016****6**

	Note	2016 S\$	2015 S\$
Cash flows from operating activities:			
Net (deficit)/surplus		(70,268)	7,034
<u>Adjustments for:</u>			
Depreciation expenses	4	40,823	39,584
Operating cash flows before changes in working capital		(29,445)	46,618
<u>Changes in working capital:</u>			
Prepayments		350	(150)
Other payables		1,915	(34,530)
Net cash flows (used in)/from operating activities		<u>(27,180)</u>	<u>11,938</u>
Cash flows from investing activity:			
Purchase of property, plant and equipment	4	-	(7,704)
Net cash flows used in investing activity		<u>-</u>	<u>(7,704)</u>
Net (decrease)/increase in cash and cash equivalents		(27,180)	4,234
Cash and cash equivalents at beginning of year		450,189	445,955
Cash and cash equivalents at end of year	5	<u>423,009</u> =====	<u>450,189</u> =====

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 on 19 October 2010 as a charity under the Charities Act, Cap 37 and is also an Institution of Public Character (IPC). Its present IPC status is for a period of three years effective from 1 February 2016 to 31 January 2019.

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 2016 were authorised for issue in accordance with a resolution of directors on 28 November 2016.

2. Significant accounting policies

2.1 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 the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 that are effective for annual periods beginning on or after 1 July 2015. The adoption of these standards did not have any material effect on the financial statements.

2.2 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

2. Significant accounting policies (cont'd)**2.2 Property, plant and equipment (cont'd)**

Depreciation is calculated using the straight-line method to allocate depreciable amounts over the estimated useful lives of the assets as follows:-

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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.

2.3 Impairment of non-financial assets

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less cost of disposal and its value-in-use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation are taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Significant accounting policies (cont'd)

2.4 Financial instruments

(a) 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.

(b) 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 financial liabilities not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities not 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.

2. Significant accounting policies (cont'd)

2.4 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

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.

2.5 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.

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.

2. Significant accounting policies (cont'd)

2.6 Cash and cash equivalents

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

2.7 Provisions

Provisions are recognised when the Charity has a present obligation (legal or constructive) as a result of 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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.8 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.

Cash grants received from the government in relation to MSF grants are recognised as income upon receipt.

2.9 Employee benefits

(a) 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.

(b) 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.

2.10 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.

2. Significant accounting policies (cont'd)**2.11 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.

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 2016, the Charity has 6 (2015: 6) members.

4. Property, plant and equipment

	Renovation S\$	Motor vehicle S\$	Total S\$
<u>2016</u>			
Cost			
At 1 July 2015 and 30 June 2016	140,741	116,478	257,219
Accumulated depreciation			
At 1 July 2015	88,347	14,560	102,907
Depreciation charge	29,175	11,648	40,823
At 30 June 2016	117,522	26,208	143,730
Net book value			
At 30 June 2016	23,219	90,270	113,489
	=====	=====	=====

HOPEHOUSE LTD
**Notes To The Financial Statements
For the financial year ended 30 June 2016**
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4. Property, plant and equipment (cont'd)

	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
	=====	=====	=====

5. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash on hand	625	222
Cash at bank	422,384	449,967
	423,009	450,189
	=====	=====

6. Other payables

	2016 S\$	2015 S\$
Accrued expenses	18,216	16,194
Sundry payables	-	107
	18,216	16,301
	=====	=====

7. Voluntary income

	2016 S\$	2015 S\$
Donations	103,858	215,052
Grants from the Ministry of Social and Family Development	196,230	125,042
	300,088	340,094
	=====	=====

Tax-exempt receipts of S\$39,990 (2015: S\$105,573) have been issued for donations received.

HOPEHOUSE LTD**Notes To The Financial Statements
For the financial year ended 30 June 2016****14****8. Other income**

	2016 S\$	2015 S\$
Special employment credit from government	7,568	4,239
Temporary employment credit from government	516	-
Wage credit scheme from government	6,921	3,303
	<u>15,005</u>	<u>7,542</u>
	=====	=====

9. Operating costs

	2016 S\$	2015 S\$
Casual wages	5,550	30,600
Depreciation of property, plant and equipment	40,823	39,584
Food and refreshment	16,855	20,089
Fixed assets expensed off	2,817	924
Insurance	7,061	4,332
Medical expense	1,519	770
Pocket money	9,320	12,105
Printing and stationery	1,393	2,309
Postage and courier	-	49
Rental	24,000	24,000
Repair and maintenance	1,614	2,881
Reference books	63	269
Staff costs (Note 12)	214,559	136,754
Stipend	1,600	9,600
Seminar and training	761	1,813
Security services	32,400	32,400
Sundries	1,534	5,760
Study fee	10,645	3,267
Telecoms	3,129	2,178
Transport and travelling	190	130
Upkeep of motor vehicle	3,272	5,816
	<u>379,106</u>	<u>335,560</u>
	=====	=====

10. Governance costs

	2016 S\$	2015 S\$
Audit fee	4,815	5,494
Accounting fees	1,600	1,600
Professional fees	200	-
	<u>6,615</u>	<u>7,094</u>
	=====	=====

HOPEHOUSE LTD**Notes To The Financial Statements
For the financial year ended 30 June 2016****15****11. Finance costs**

	2016 S\$	2015 S\$
Bank charges	508	115
	=====	=====

12. Staff costs

	2016 S\$	2015 S\$
Salaries and bonus		
- directors (Note 14)	15,500	-
- other employees	169,614	117,179
Defined contribution plan		
- directors (Note 14)	1,989	-
- other employees	22,965	14,713
Other short-term benefits	4,491	4,862
	=====	=====
Total staff cost (Note 9)	214,559	136,754
	=====	=====
Average number of employees	9	3
	=====	=====

13. Income tax

The Charity is a registered charity and is exempt from income tax under Section 13(1)(zm) of the Singapore Income Tax Act.

14. Related party transactions**Compensation of key management personnel**

	2016 S\$	2015 S\$
Salaries and bonus (Note 12)	15,500	-
Defined contribution plan (Note 12)	1,989	-
	=====	=====
	17,489	-
	=====	=====

Key management personnel refers to directors of the Charity.

15. 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:

	2016 S\$	2015 S\$
Financial assets		
Loan and receivables:		
Cash and cash equivalents	423,009 =====	450,189 =====
Financial liabilities		
Financial liabilities measured at amortised cost:		
Other payables	18,216 =====	16,301 =====

A description of the accounting policies for each category of financial instruments is disclosed in Note 2.4 (Financial instruments). A description of the Charity's financial risk management objectives and policies for financial instruments is given in Note 16.

16. 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 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.

16. Financial risk management (cont'd)**(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.

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\$
<u>2016</u>	
Other payables	18,216 =====
<u>2015</u>	
Other payables	16,301 =====

17. 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.

18. 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 2015.

The capital structure of the Charity comprises its accumulated funds as shown in the statement of financial position.

The Charity is not subject to any externally imposed capital requirements for the financial years ended 30 June 2016 and 2015.

19. 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.

Description	Effective for annual periods beginning on or after
FRS 114: Regulatory Deferral Accounts	1 Jan 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 Jan 2016

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 16 & FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 16 & FRS 41: Agriculture: Bearer Plants	1 Jan 2016
Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Improvements to FRSs (November 2014)	
<i>Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations</i> – Changes in methods of disposal	1 Jan 2016
<i>Amendments to FRS 107 Financial Instruments: Disclosures</i> – Servicing contracts & Applicability of the amendments to FRS 107 to condensed interim financial statements	1 Jan 2016
<i>Amendments to FRS 19 Employee Benefits</i> – Discount rate: regional market issue	1 Jan 2016
<i>Amendments to FRS 34 Interim Financial Reporting</i> – Disclosure of information “elsewhere in the interim financial report”	1 Jan 2016
Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
Amendments to FRS 110, FRS 112 & FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
FRS 116 Leases	1 Jan 2019

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