

# HOPEHOUSE ANNUAL REPORT (JULY 2016 – JUN 2017)

## 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) = \$84,774  
Total Expenditure (b) = \$276,807  
Deficit = (a) – (b) = (\$192,033)

4.2 Total Fund Raising Expenses (a) = Nil

4.3 Expenditure on charitable activities (a) = \$269,155  
Total Expenditure (b) = \$276,807  
Charitable Commitment\*\* = (a) / (b) = 0.97

*\*\* 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) = \$243,804  
Total Expenditure (b) = \$276,807  
Reserves Ratio\*\*\* = (a) / (b) = 0.88

*\*\*\* The ratio indicates the total accumulated reserves over annual operating expense and the current ratio is equivalent to about 10 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 14 residents, with ages ranging from 16 to 21 years and among them, 9 Chinese, 3 Malays, 1 Indian and 1 Japanese. For those who had already been discharged, their duration of stay varied from 15 days to about 2 years and 7 months. The average length of stay was about 9 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 14 residents, 4 were in conflict with the law and were admitted on probation, while 7 were referred by MSF for Shelter, Care and Protection. The other 3 residents were admitted on compassionate grounds, 2 of whom were referred by other agencies and 1 admitted by the Home.

5.4 There were 9 residents who were discharged during the year. 4 of them were on probation orders. 2 of the 4 residents on probation had successfully completed their probation order periods, 1 was only on temporary stay for care and protection while the remaining 1 on probation was transferred to another home with a more structured environment and routine. Of the 2 discharged residents on compassionate grounds, 1 was discharged and re-united with the family when conditions had improved. The other discharged youth on compassionate grounds had to be sent to the Reformatory Training Centre as he was sentenced by the courts for an earlier offence prior to his admission to HopeHouse. The remaining 3 discharged residents were referred by MSF only for a short temporary stay for Shelter, Care and Protection.

## 6. **PROGRAMMES AND ACTIVITIES DURING THE YEAR**

- 6.1 Get-together meals were organised for interaction and the development of social skills. The residents had an Easter lunch with Donors, Directors, staff and friends.
- 6.2 The residents and staff also celebrated the Chinese New Year with a Steamboat meal together with the directors, family and friends.
- 6.3 Cycling activities and outings were held with staff and guests starting with breakfast meals and finishing with lunch.
- 6.4 As part of the Hari Raya Celebrations, the residents had a fun outing to Geylang Serai for shopping and makan. The residents and staff visited and interacted during the Bazaar trip.
- 6.5 To build confidence and social interaction skills with others from outside the Home, the residents were encouraged to have conversations with the guests when they were invited for several Fun Fairs with different groups at OLPS Church, the Joo Chiat CC Funfair event and at the St Stephen School.
- 6.6 As part of a bonding exercise, the residents organised and invited their friends and ex-residents and had a Barbeque meal together with the staff.
- 6.7 The residents and staff also had a fun night at the movies and a dinner meal.
- 6.8 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.
- 6.9 One-on-One dialogue sessions and personal counselling with all residents were conducted.
- 6.10 Family counselling sessions were carried out for specific residents.

## 7. **BOARD MEMBERS**

### 7.1 Board of Directors:

Rupert Gwee (Chairperson)	:	<a href="mailto:rupert@hopehouse.sg">rupert@hopehouse.sg</a>
Brother Collin Wee (Home Mentor)	:	<a href="mailto:collin@hopehouse.sg">collin@hopehouse.sg</a>
Chia Boon Khiang	:	<a href="mailto:bkchia@hopehouse.sg">bkchia@hopehouse.sg</a>
Brother Nicholas Seet	:	<a href="mailto:nicholas@hopehouse.sg">nicholas@hopehouse.sg</a>
Brother Kelvin Tan	:	<a href="mailto:kelvin@hopehouse.sg">kelvin@hopehouse.sg</a>

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](http://www.charities.gov.sg)

9. **AUDITED FINANCIAL STATEMENTS FY END 30 JUN 2017**

- 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](http://www.charities.gov.sg)

**GOVERNANCE EVALUATION CHECKLIST**

This Submission is for the Evaluation Period 01/07/2016 to 30/06/2017

S/N	Code Description	Code ID	Compliance	Explanation (if the Code guideline is not complied to or not applicable)
	<b>BOARD GOVERNANCE</b>			
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	
	<b>CONFLICT OF INTEREST</b>			
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	

	<b>STRATEGIC PLANNING</b>			
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	
	<b>HUMAN RESOURCE MANAGEMENT</b>			
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	
	<b>FINANCIAL MANAGEMENT AND CONTROLS</b>			
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
	<b>FUNDRAISING PRACTICES</b>			
17	Donations collected are properly recorded and promptly deposited by the charity	7.2.2	Complied	

	<b>DISCLOSURE AND TRANSPARENCY</b>			
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	
	<b>PUBLIC IMAGE</b>			
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 2017**

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**ROBERT YAM & CO.**

Chartered Accountants of Singapore  
Public Accountants, Singapore





**HOPEHOUSE LTD.**

**(UEN: 201010093H)**

**(Incorporated In the Republic of Singapore)**

**FINANCIAL STATEMENTS - 30 JUNE 2017**

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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 2017.

In the opinion of the directors:

- (a) the financial statements as set out on pages 6 to 19 are drawn up so as to give a true and fair view of the financial position of the Charity as at 30 June 2017 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  
Gwee Chwee Kee Rupert  
Seet Pee Hock Nicholas  
Chia Boon Khiang  
Tan Hwang Poh Kelvin Powell

### **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 objects are or one of whose objects is, 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' interests in shares and debentures**

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Charity.

### **Share options**

The Charity is limited by guarantee. As such, there are no options granted to subscribe for unissued shares of the Charity or shares issued by virtue of the exercise of options to take up unissued shares of the Charity during the year and there were no unissued shares of the Charity under option at the end of the financial year.

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**Independent auditor**

The independent auditor, Robert Yam & Co., has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors:



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Gwee Chwee Kee Rupert  
Director



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Collin Wee Kim Chye  
Director

27 November 2017

## HOPEHOUSE LTD.

### Independent Auditor's Report For the financial year ended 30 June 2017

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To the members of HOPEHOUSE LTD.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Hopehouse Ltd. (the Charity), which comprise the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Charity as at 30 June 2017 and of the financial performance, changes in equity and cash flows of the Charity for the financial year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Charity in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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## HOPEHOUSE LTD.

### Independent Auditor's Report For the financial year ended 30 June 2017

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#### To the members of HOPEHOUSE LTD. (cont'd)

##### *Responsibilities of Management and Those Charged with Governance 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 Companies Act, the Charities Act and Regulations and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Charity's financial reporting process.

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.

# ROBERT YAM & CO.

HOPEHOUSE LTD.

Independent Auditor's Report  
For the financial year ended 30 June 2017

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To the members of HOPEHOUSE LTD. (cont'd)

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- a) the Charity has not used the donation moneys in accordance with its objectives 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 of the Charities (Institutions of a Public Character) Regulations.

*Robert Yam & Co.*

Robert Yam & Co.  
Public Accountants and  
Chartered Accountants  
Singapore

27 November 2017

**HOPEHOUSE LTD.****Statement of Financial Position  
As at 30 June 2017****6**

	Note	2017 S\$	2016 S\$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	4	82,445	113,489
<b>Current Assets</b>			
Cash and cash equivalents	5	252,533	423,009
<b>Total assets</b>		334,978 =====	536,498 =====
<b>EQUITY AND LIABILITY</b>			
<b>Equity</b>			
Accumulated funds		326,249	518,282
Total equity		326,249	518,282
<b>Current Liabilities</b>			
Accrued expenses		8,729	18,216
Net Current Assets		243,804	404,793
<b>Total liabilities</b>		8,729	18,216
Net Assets		326,249	518,282
<b>Total equity and liabilities</b>		334,978 =====	536,498 =====

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

**HOPEHOUSE LTD.****Statement of Comprehensive Income  
For the financial year ended 30 June 2017****7**

	Note	2017 S\$	2016 S\$
<b>Unrestricted funds:</b>			
<u>Incoming resources</u>			
Incoming resources from generated fund:			
- Voluntary income	6	70,612	300,088
- Fruits and nuts project		-	1,705
		<u>70,612</u>	<u>301,793</u>
Other income	7	14,162	15,005
		<u>84,774</u>	<u>316,798</u>
<u>Resources expended</u>			
Operating costs	8	269,155	379,106
Costs relating to fruits and nuts projects		-	837
Governance costs	9	7,336	6,615
Finance costs	10	316	508
		<u>276,807</u>	<u>387,066</u>
Total resources expended			
Net deficit, representing total comprehensive income for the year		(192,033)	(70,268)
		=====	=====

**Statement of Changes in Equity  
for the financial year ended 30 June 2017**

	Accumulated funds S\$
<b>Balance at 1 July 2015</b>	588,550
Net deficit, representing total comprehensive income for the year	(70,268)
<b>Balance at 30 June 2016</b>	<u>518,282</u>
Net deficit, representing total comprehensive income for the year	(192,033)
<b>Balance at 30 June 2017</b>	<u>326,249</u>
	=====

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



**HOPEHOUSE LTD.****Statement of Cash Flows  
For the financial year ended 30 June 2017****8**

	Note	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
Net deficit for the year		(192,033)	(70,268)
<u>Adjustments for:</u>			
Depreciation	4	33,889	40,823
Operating cash flows before changes in working capital		(158,144)	(29,445)
<u>Changes in working capital:</u>			
Prepayments		-	350
Accrued expenses		(9,487)	1,915
<b>Net cash flows used in operating activities</b>		(167,631)	(27,180)
<b>Cash flows from investing activity:</b>			
Purchase of property, plant and equipment	4	(2,845)	-
<b>Net cash flows used in investing activity</b>		(2,845)	-
Net decrease in cash and cash equivalents		(170,476)	(27,180)
Cash and cash equivalents at beginning of year		423,009	450,189
<b>Cash and cash equivalents at end of year</b>	5	252,533 =====	423,009 =====

The accompanying notes form an integral part of these 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 Singapore.

The address of its registered office and principal place of operations 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 counselling to boys aged 16 and above.

The financial statements for the financial year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 27 November 2017.

## **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 period.

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 relevant to the Charity and are effective for annual periods beginning on or after 1 July 2016. The adoption of these standards did not result in substantial changes to the accounting policies of the Charity and had no material effect on the amounts reported for the current or prior financial years.

### **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 measured 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 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
Office equipment	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 was 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.

**2.4 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.

**2. Significant accounting policies (cont'd)****2.4 Financial instruments (cont'd)****(a) Financial assets (cont'd)**

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 plus in the case of financial liabilities not at fair value through profit or loss, 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 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.

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

For financial assets carried at amortised cost, the Charity first assesses 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. 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 been 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.

**2.6 Cash and cash equivalents**

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

**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. Significant accounting policies (cont'd)****2.8 Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant 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 instalments.

Government grants related to income are recognised in profit or loss and included in "other income" on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Cash grants received from the government in relation to Ministry of Social and Family Development (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 when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**2.10 Revenue recognition**

(a) Donations in cash are recognised as income upon receipt.

(b) Donation in kind is included in the statement of financial position based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is no uncertainty that it will be received.

**2.11 Income tax**

The Charity is a registered Charity under the Charities Act, Cap. 37 and is exempt from income tax under Section 13(1)(zm) of the Singapore Income Tax Act.

**2.12 Currency translation**

The financial statements are presented in Singapore Dollars ("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 2017, the Charity has 5 (2016: 6) members.

**4. Property, plant and equipment**

	Renovation S\$	Office equipment S\$	Motor vehicle S\$	Total S\$
<b>Cost</b>				
At 1 July 2015, 30 June 2016 and 1 July 2016	140,741	-	116,478	257,219
Additions	-	2,845	-	2,845
At 30 June 2017	140,741	2,845	116,478	260,064
<b>Accumulated depreciation</b>				
At 1 July 2015	88,347	-	14,560	102,907
Charge during the year	29,175	-	11,648	40,823
At 30 June 2016 and 1 July 2016	117,522	-	26,208	143,730
Charge during the year	21,293	948	11,648	33,889
At 30 June 2017	138,815	948	37,856	177,619
<b>Net book value</b>				
At 30 June 2017	1,926	1,897	78,622	82,445
At 30 June 2016	23,219	-	90,270	113,489

**5. Cash and cash equivalents**

	2017 S\$	2016 S\$
Cash on hand	327	625
Cash at bank	252,206	422,384
	252,533	423,009

**6. Voluntary income**

	2017 S\$	2016 S\$
Donations	38,060	103,858
Grants from the Ministry of Social and Family Development	32,552	196,230
	<u>70,612</u>	<u>300,088</u>
	=====	=====

Tax-exempt receipts of S\$33,520 (2016: S\$39,990) have been issued for donations received.

As at the end of reporting period, grants amounting to S\$15,523 (2016: Nil) for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the financial year have yet to be received from the Ministry of Social and Family Development.

**7. Other income**

	2017 S\$	2016 S\$
Government grant:		
Special Employment Credit	9,898	7,568
Temporary Employment Credit	1,609	516
Wage Credit Scheme	2,655	6,921
	<u>14,162</u>	<u>15,005</u>
	=====	=====

**8. Operating costs**

	2017 S\$	2016 S\$
Casual wages	429	5,550
Depreciation of property, plant and equipment (Note 4)	33,889	40,823
Food and refreshment	7,776	16,855
Fixed assets expensed off	359	2,817
Insurance	4,040	7,061
Medical expense	1,073	1,519
Pocket money	3,620	9,320
Printing and stationery	1,597	1,393
Rental	24,000	24,000
Repair and maintenance	856	1,614
Reference books	-	63
Staff costs (Note 11)	176,160	214,559
Stipend	-	1,600
Seminar and training	833	761
Security services	8,100	32,400
Sundries	343	1,534
Study fee	-	10,646
Telecommunications	3,207	3,129
Transport and travelling	197	190
Upkeep of motor vehicle	2,676	3,272
	<u>269,155</u>	<u>379,106</u>
	=====	=====



**HOPEHOUSE LTD**

**Notes to the Financial Statements  
For the financial year ended 30 June 2017**

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**9. Governance costs**

	2017 S\$	2016 S\$
Audit fee	5,136	4,815
Accounting fees	1,600	1,600
Professional fees	600	200
	<u>7,336</u>	<u>6,615</u>
	=====	=====

**10. Finance costs**

	2017 S\$	2016 S\$
Bank charges	<u>316</u>	<u>508</u>
	=====	=====

**11. Staff costs**

	2017 S\$	2016 S\$
Salaries and bonus		
- directors (Note 12)	19,500	15,500
- other employees	131,635	169,614
Employer's contribution to Central Provident Fund		
- directors (Note 12)	2,584	1,989
- other employees	18,809	22,965
Other short-term benefits	3,632	4,491
Total staff cost (Note 8)	<u>176,160</u>	<u>214,559</u>
	=====	=====
Average number of employees	<u>8</u>	<u>9</u>
	=====	=====

**12. Related party transactions**

**Compensation of key management personnel**

	2017 S\$	2016 S\$
Salaries and bonus (Note 11)	19,500	15,500
Defined contribution plan (Note 11)	2,584	1,989
	<u>22,084</u>	<u>17,489</u>
	=====	=====

Key management personnel refer to the directors of the Charity.

During the year, a director donated S\$3,000 in cash, six units of used computers and several copies of a cookbook to the Charity. Management is of opinion that the computers and cookbooks are of negligible value; thus, the assets are not capitalised and donation in kind are not recorded as income.

**13. 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:

	2017 S\$	2016 S\$
<u>Financial assets</u>		
Loan and receivables:		
Cash and cash equivalents	252,533 =====	423,009 =====
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost:		
Accrued expenses	8,729 =====	18,216 =====

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 14.

**14. Financial risk management**

The Charity's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been throughout the current and previous financial year, the Charity's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Charity's exposure to these financial risks or the manner in which it manages and measures the risk.

**(a) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. 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.

As the Charity does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

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

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

**14. 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 directors are satisfied that funds are available to finance the operations of the Charity.

The Charity's financial liabilities, which comprise accrued expenses, mature within 12 months from the end of the reporting period based on contractual undiscounted repayment obligations.

**15. Fair values of assets and liabilities**

The carrying amounts of cash and cash equivalents and accrued expenses are reasonable approximation of fair values due to their short-term nature.

**16. 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 2016.

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 2017 and 2016.

**17. New or revised accounting standards and interpretations**

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
Amendments to FRS 40: Transfers of Investment Property	1 Jan 2018
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 Jan 2018

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 109: Financial Instruments	1 Jan 2018
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
Improvements to FRSs (December 2016)	
Amendments to FRS 101: First-Time Adoption of Financial Reporting Standards	1 Jan 2018
Amendments to FRS 112: Disclosure of Interests in Other Entities	1 Jan 2017
Amendments to FRS 28: Investments in Associates and Joint Venture	1 Jan 2018
Amendments to FRS 104: Applying FRS 109: Financial Instruments with FRS 104: Insurance Contracts	1 Jan 2018
INT FRS 122: Foreign Currency Transactions and Advance Consideration	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.