

HOPEHOUSE ANNUAL REPORT (JUL 2018 – JUN 2019)

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 (UEN: 201010093H) and is a Registered Charity. HopeHouse is also an approved Institution of a Public Character (IPC No. 000728).

3.2 HopeHouse 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) = \$468,795
Total Expenditure (b) = \$316,540
Surplus = (a) – (b) = \$152,255

- 4.2 Total Fund Raising Expenses (a) = \$5,698
 Total Fund Raising Revenue (b) = \$70,750
 Total Sponsorship Value (c) = \$2,000
 Fund-Raising Efficiency Ratio = $(a) + (c) \times 100\% / (b) + (c) = 11\%$
- 4.3 Expenditure on charitable activities (a) = \$305,272
 Total Expenditure (b) = \$316,540
 Charitable Commitment** = $(a) / (b) = 0.96$
*** The ratio indicates the amount spent on charitable purposes for every dollar spent on overheads, fund raising, admin and management*
- 4.4 Total Funds and Reserves (a) = \$556,393
 Total Expenditure (b) = \$316,540
 Reserves Ratio*** = $(a) / (b) = 1.76$
**** The ratio indicates the total accumulated reserves over annual operating expense and the current ratio is equivalent to about 21 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. **MANAGEMENT DISCLOSURES**

- 5.1 The Board Members had 4 meetings in the financial year. The attendance rate by each board member was as follows:
 (i) Rupert Gwee: 100%
 (ii) Brother Collin Wee: 100%
 (iii) Chia Boon Kiang: 75%
 (iv) Brother Nicholas Seet: 100%
- 5.2 A token monthly \$1,620/- and CPF contributions were made to Brother Collin Wee only, as the Home Mentor, and the cash component was credited into the La Salle St Patrick's Community fund. Other Board members did not receive any remuneration.
- 5.3 All Board members had read and understood the organisation's conflict of interest policy and had declared and signed the Conflict of Interest Disclosure Forms in accordance with the Standard Operating Procedures of the organisation.

6. **RESIDENT PROFILE**

- 6.1 This year, HopeHouse had admitted 17 residents, with ages ranging from 16 to 21 years and among them, 7 Chinese, 6 Malays, 3 Indians and 1 Sikh. Of the 11 residents who were discharged this year, their duration of stay at HopeHouse ranged from 3 to 18 months. The average length of stay with us was about 10 months.
- 6.2 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, physical abuse, rioting, substance abuse and drinking.
- 6.3 HopeHouse worked closely with the Ministry of Social and Family Development (MSF) and admitted mainly youths referred from MSF. Of the 17 residents, 11 were in conflict with the law and were admitted on probation, while 4 were referred by MSF for Shelter, Care and Protection. The other 2 residents were admitted on compassionate grounds referred to us by the Prison authorities to help ease their reintegration process back with their families and society.

- 6.4 A total of 11 residents were discharged during the year. 6 were on probation, 3 were MSF-referred cases and the remaining 2 were admitted on compassionate grounds. Out of the 6 probation cases discharged, 4 of the youths successfully completed their probation period with us and returned to their families. The other 2 youths on probation had refused to cooperate and they had their probation order revoked by the courts, and were subsequently sent to the Reformatory Training Centre under a more stringent environment. As for the 3 MSF-referred cases, the family conditions improved for 2 of the youths and they returned safely to their families. The third MSF-referred case had found an alternate shelter better suited to his needs and was transferred there. The last 2 youths discharged during the year were from the Prisons who were admitted on compassionate grounds. These 2 youths had shown a desire to further their studies and were encouraged and supported to do so. 1 of them was discharged to his family and is currently studying Law in the polytechnic. The other youth is still estranged from his family and unable to return home. Although officially discharged from HopeHouse, we have continued to provide him an alternative accommodation under the HopeHouse Transition Programme. We are continuing to give him shelter, care and financial support while he pursues his Diploma in Sports Coaching at the Republic Polytechnic.

7. PROGRAMMES AND ACTIVITIES DURING THE YEAR

- 7.1 Get-together meals were organised for interaction and the development of social skills. The residents had a lunch party and interacted with 24 members from the Our Lady of Perpetual Succour Church and on another occasion with a group of 20 members from the Philippines who brought gifts, toiletries and groceries for the youths. The youths were also encouraged to share and interact with each other as a group on their birthdays over a meal and a nice birthday cake.
- 7.2 The youths and staff were treated to a Christmas Lunch meal at HopeHouse by a Church group from the Our Lady of Perpetual Succour and had also brought with them presents from the Christmas wish-list that the youths and staff had indicated to them earlier.
- 7.3 The residents and staff also celebrated the Chinese New Year with a Steamboat Lunch meal together with the directors, family, friends and some of the alumni youths who had already graduated from HopeHouse.
- 7.4 We were graced by the visit of our President Madam Halimah Yacob who came to interact with the youths and brought with her the favourite lunch-meal that was requested by the youths. The youths returned her generosity and graciousness with song performances, a piano recital and a special hand crafted wood-burned HopeHouse painting done by a youth and staff.
- 7.5 An outing of fun, games, activities and delicious treats was arranged for the youths and staff with a day trip to the Assisi Fun Fair event at the St Joseph International School.
- 7.6 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.
- 7.7 Ad-hoc community service activities were also organised with the youths helping to clean homes and shifting of furniture and items between various homes and shelters. This is to further encourage teamwork and bonding and build the spirit of hard work in the youths and in helping others in need.

- 7.8 Group Therapy sessions were conducted internally at HopeHouse by Bro Collin for the youths. Specialised sessions such as dog-therapy to address anger management and social skills were also arranged for residents who need more help.
- 7.9 One-on-One dialogue sessions and personal counselling with all residents were conducted at least once a month for better adjusted residents and more frequently for new admissions and those who were facing specific personal or family-related challenges.
- 7.10 Family counselling sessions and meet-ups to reconcile/ reintegrate our residents with their families were done at least once a month. We had also tapped the help of MSF officers and other external counsellors for families who were in conflict and arranged counselling sessions for family members to address the root of the issues.

8. **BOARD MEMBERS**

8.1 Board of Directors:

Rupert Gwee Chwee Kee (Chairperson)	:	rupert@hopehouse.sg
Brother Collin Wee Kim Chye (Home Mentor)	:	collin@hopehouse.sg
Chia Boon Kiang	:	bkchia@hopehouse.sg
Brother Nicholas SeetPee Hock	:	nicholas@hopehouse.sg

9. **GOVERNANCE EVALUATION CHECKLIST**

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

10. **AUDITED FINANCIAL STATEMENTS FY END 30 JUN 2019**

- 10.1 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 01/07/2018 to 30/06/2019

S/N	Code Description	Code ID	Compliance	Explanation (if the Code guideline is not complied to or not applicable)
	Board Governance			
1	Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	Complied	
	Are there Board members holding staff appointments?		Yes	Founding member is a Board member who holds the position of Home Mentor to keep the spirit of the home alive.
2	Staff does not chair the Board and does not comprise more than one third of the Board.	1.1.3	Complied	
3	There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.	1.1.5	Complied	
4	<p>The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years.</p> <p>If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.</p>	1.1.7	Complied	
5	All governing board members must submit themselves for re-nomination and re-appointment , at least once every 3 years.	1.1.8	Complied	
6	There are documented terms of reference for the Board and each of its committees.	1.2.1	Complied	
	Conflict of Interest			
7	There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	Complied	

8	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied	
	Strategic Planning			
9	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	Complied	
	Human Resource and Volunteer Management			
10	The Board approves documented human resource policies for staff.	5.1	Complied	
11	There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	Complied	
12	There are processes for regular supervision, appraisal and professional development of staff.	5.5	Complied	
	Financial Management and Internal Controls			
13	There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity, which are not part of the charity's core charitable programmes.	6.1.1	Complied	
14	The Board ensures that internal controls for financial matters in key areas are in place with documented procedures .	6.1.2	Complied	
15	The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	Complied	
16	The Board ensures that there is a process to identify, and regularly monitor and review the charity's key risks .	6.1.4	Complied	
17	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied	
	Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 18 if "No")		No	To date, funds are raised for operating purposes. Will invest reserves when the organisation has significant funds

	Fundraising Practices			
	Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 19 if “No”)		Yes	
19	All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	7.2.2	Yes	
	Did the charity receive donations in kind during the financial year? (skip item 20 if “No”)		No	
	Disclosure and Transparency			
21	The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	Complied	
	Are governing board members remunerated for their services to the Board? (skip items 22 and 23 if “No”)		Yes	A token monthly \$1,620 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.
22	No governing board member is involved in setting his own remuneration.	2.2	Complied	
23	The charity discloses the exact remuneration and benefits received by each governing board member in its annual report. <u>OR</u> The charity discloses that no governing board member is remunerated.	8.3	Complied	

	Does the charity employ paid staff? (skip items 24 and 25 if “No”)		Yes	
24	No staff is involved in setting his own remuneration.	2.2	Complied	
25	<p>The charity discloses in its annual report —</p> <p>(a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity’s subsidiaries) exceeding \$100,000 during the financial year; and</p> <p>(b) whether any of the 3 highest paid staff also serves as a governing board member of the charity.</p> <p>The information relating to the remuneration of the staff must be presented in bands of \$100,000.</p> <p><u>OR</u></p> <p>The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration.</p>	8.4	Complied	

HOPEHOUSE LTD.

(UEN: 201010093H)

(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS - 30 JUNE 2019

ROBERT YAM & CO PAC

Chartered Accountants of Singapore
Public Accountants, Singapore



A worldwide alliance of independent professional firms
Independent Member



UEN: 201833873N

HOPEHOUSE LTD.

(UEN: 201010093H)

(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS - 30 JUNE 2019

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The directors are pleased present their statement to the members together with the audited financial statements of Hopehouse Ltd. (the "Charity") for the financial year ended 30 June 2019.

Opinion of the directors

In the opinion of the directors:

- (a) the financial statements of the Charity are drawn up so as to give a true and fair view of the financial position of the Charity as at 30 June 2019 and the financial performance, changes in funds 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 Kiang

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

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

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.

HOPEHOUSE LTD.

Directors' Statement

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Independent auditors

The independent auditors, Robert Yam & Co PAC, have expressed their willingness to accept re-appointment.

On Behalf of the Board of Directors:



Gwee Chwee Kee Rupert
Director



Collin Wee Kim Chye
Director

21 November 2019

HOPEHOUSE LTD.

Independent Auditor's Report For the Financial Year Ended 30 June 2019

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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 2019, and the statement of profit or loss and other comprehensive income, statement of changes in funds 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 2019 and of the financial performance, changes in funds 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 do 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.

HOPEHOUSE LTD.

Independent Auditor's Report For the Financial Year Ended 30 June 2019

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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 comprise 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 PAC

Incorporated with limited liability
UEN: 201833873N

HOPEHOUSE LTD.

Independent Auditor's Report For the Financial Year Ended 30 June 2019

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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 PAC
Public Accountants and
Chartered Accountants
Singapore

21 November 2019

HOPEHOUSE LTD.**Statement of Financial Position
As at 30 June 2019****6**

	Note	2019 S\$	2018 S\$
ASSETS			
Non-current assets			
Plant and equipment	6	58,619	67,923
Current assets			
Cash and cash equivalents	7	607,654	444,592
Total assets		666,273	512,515
		=====	=====
FUNDS AND LIABILITIES			
Funds			
Accumulated funds		556,393	404,138
Total funds		556,393	404,138
Current liabilities			
Accrued expenses		9,880	8,377
Loans and borrowings	8	100,000	100,000
		109,880	108,377
Net current assets		497,774	336,215
Total liabilities		109,880	108,377
Net assets		556,393	404,138
Total funds and liabilities		666,273	512,515
		=====	=====

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

HOPEHOUSE LTD.**Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2019****7**

	Note	2019 S\$	2018 S\$
<u>Unrestricted funds:</u>			
<u>Incoming resources</u>			
Incoming resources from generated fund:			
- Voluntary income	9	385,633	322,744
- Fund generating activities	10	70,750	-
Other income	11	12,412	7,964
		<u>468,795</u>	<u>330,708</u>
<u>Resources expended</u>			
Costs of generating voluntary income	12	299,574	244,645
Costs of fund generating activities	13	5,698	-
Governance costs	14	8,042	7,346
Finance costs	15	3,226	828
		<u>316,540</u>	<u>252,819</u>
Total resources expended			
		<u>316,540</u>	<u>252,819</u>
Net surplus, representing total comprehensive income for the year		<u>152,255</u> =====	<u>77,889</u> =====

**Statement of Changes in Funds
For the Financial Year Ended 30 June 2019**

	Accumulated funds S\$
Balance at 1 July 2017	326,249
Net surplus, representing total comprehensive income for the year	77,889
Balance at 30 June 2018	<u>404,138</u>
Net surplus, representing total comprehensive income for the year	152,255
Balance at 30 June 2019	<u>556,393</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 2019****8**

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net surplus for the year		152,255	77,889
<u>Adjustments for:</u>			
Depreciation of plant and equipment	6	14,243	14,522
Operating cash flows before changes in working capital		166,498	92,411
<u>Changes in working capital:</u>			
Accrued expenses		1,503	(352)
Net cash flows from operating activities		168,001	92,059
Cash flows from investing activity:			
Purchase of plant and equipment	6	(4,939)	-
Net cash flows used in investing activity		(4,939)	-
Cash flows from financing activity:			
Proceeds from loans and borrowings	8	-	100,000
Net cash flows from financing activity		-	100,000
Net increase in cash and cash equivalents		163,062	192,059
Cash and cash equivalents at beginning of year		444,592	252,533
Cash and cash equivalents at end of year	7	607,654 =====	444,592 =====

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. It is also 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 2019 to 30 October 2021.

The address of its registered office and principal place of activities is 490 East Coast Road, Singapore 429058.

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 2019 were authorised for issue in accordance with a resolution of the directors on 21 November 2019.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRSs") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

2.2 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollars ("S\$"), which is the functional currency of the Charity.

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that 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 2018. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

3. Significant accounting policies (cont'd)

3.1 Plant and equipment

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

Depreciation 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 plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

An item of 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.

3.2 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 testing 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 costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups 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.

3. Significant accounting policies (cont'd)

3.3 Financial Instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets

Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balance and fixed deposits.

3.5 Provisions

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

3. Significant accounting policies (cont'd)**3.5 Provisions (cont'd)**

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. Changes in estimates are reflected in profit or loss in the financial year they occur.

3.6 Government grants

Government grants are recognised when 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 Charity recognises as expenses the related costs for which the grants are intended to compensate.

3.7 Employee benefits**(a) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(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.

3.8 Revenue recognition

- (a) Donations in cash are recognised as income upon receipt.
- (b) Cash grants received from the government in relation to Ministry of Social and Family Development (MSF) grants are recognised as income upon receipt.
- (c) 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 when received.

3. Significant accounting policies (cont'd)**3.9 Income tax**

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

3.10 Foreign currency

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date where the fair value was determined.

4. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that 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.

5. 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 2019, the Charity has 4 (2018: 4) members.

6. Plant and equipment

	Renovation S\$	Office equipment S\$	Motor vehicle S\$	Total S\$
<u>2019</u>				
Cost				
At 1 July 2018	140,741	2,845	116,478	260,064
Additions	4,939	-	-	4,939
At 30 June 2019	145,680	2,845	116,478	265,003
Accumulated depreciation				
At 1 July 2018	140,741	1,896	49,504	192,141
Charge during the year	1,646	949	11,648	14,243
At 30 June 2019	142,387	2,845	61,152	206,384
Net book value				
At 30 June 2019	3,293	-	55,326	58,619
	=====	=====	=====	=====
<u>2018</u>				
Cost				
At 1 July 2017 and 30 June 2018	140,741	2,845	116,478	260,064
Accumulated depreciation				
At 1 July 2017	138,815	948	37,856	177,619
Charge during the year	1,926	948	11,648	14,522
At 30 June 2018	140,741	1,896	49,504	192,141
Net book value				
At 30 June 2018	-	949	66,974	67,923
	=====	=====	=====	=====

7. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash and bank balances	507,328	344,542
Fixed deposits	100,326	100,050
	607,654	444,592
	=====	=====

7. Cash and cash equivalents (cont'd)

Fixed deposits are made for a varying period of 6 and 12 months, depending on the immediate cash requirements of the Charity and earn interests at the respective short-term deposit rates. The short-term deposit rates at the end of the reporting year was 0.20% (2018: 0.20% to 0.35%) per annum.

8. Loans and borrowings

The loan of S\$100,000 (2018: S\$100,000) is obtained from the Brothers of the Christian Schools (La Salle Brothers) Singapore as a contingency assistance fund. The loan is unsecured, non-interest bearing and has no fixed terms of repayment.

9. Voluntary income

	2019 S\$	2018 S\$
Donations	196,409	155,741
Grants from the Ministry of Social and Family Development	189,224	167,003
	<u>385,633</u>	<u>322,744</u>
	=====	=====

Tax-exempt receipts of S\$182,760 (2018: S\$130,533) have been issued for donations received.

10. Fund generating activities

	2019 S\$	2018 S\$
Fund raising – St Patrick 85 anniversary	70,750	-
	<u>70,750</u>	<u>-</u>
	=====	=====

11. Other income

	2019 S\$	2018 S\$
Special Employment Credit	7,100	4,132
Temporary Employment Credit	-	701
Wage Credit Scheme	5,036	3,081
Interest income	276	50
	<u>12,412</u>	<u>7,964</u>
	=====	=====

12. Costs of generating voluntary income

	2019 S\$	2018 S\$
Casual wages	2,405	-
Depreciation of plant and equipment (Note 6)	14,243	14,522
Food and refreshment	5,694	8,582
Fixed assets expensed off	1,949	-
Insurance	6,840	7,140
Medical expense	673	929
Pocket money	18,696	13,657
Printing and stationery	1,789	1,589
Postage and courier	-	157
Repair and maintenance	1,043	782
Staff costs (Note 16)	223,177	190,627
Seminar and training	704	844
Sundries	1,181	437
Study fees	15,034	-
Telecommunications	3,268	3,517
Transport and travelling	196	42
Upkeep of motor vehicle	2,682	1,820
	<u>299,574</u>	<u>244,645</u>
	=====	=====

13. Costs of fund generating activities

	2019 S\$	2018 S\$
Fund raising – St Patrick 85 anniversary	5,698	-
	<u>5,698</u>	<u>-</u>
	=====	=====

14. Governance costs

	2019 S\$	2018 S\$
Audit fee	5,992	5,136
Accounting fees	1,600	1,600
Professional fees	450	610
	<u>8,042</u>	<u>7,346</u>
	=====	=====

15. Finance costs

	2019 S\$	2018 S\$
Bank charges	3,226	828
	<u>3,226</u>	<u>828</u>
	=====	=====

16. Staff costs

	2019 S\$	2018 S\$
Salaries and bonus		
- directors (Note 17)	23,430	19,500
- other employees	176,757	147,228
Employer's contribution to Central Provident Fund		
- directors (Note 17)	2,170	1,815
- other employees	16,654	17,953
Other short-term benefits	4,166	4,131
Total staff cost (Note 12)	223,177	190,627
	=====	=====
Average number of employees	8	7
	=====	=====

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

	2019 S\$	2018 S\$
Salaries and bonus (Note 16)	23,430	19,500
Defined contribution plan (Note 16)	2,170	1,815
	25,600	21,315
	=====	=====

Key management personnel refer to the directors of the Charity. During the year, a director donated S\$24,700 (2018: S\$10,020) in cash to the Charity.

18. 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:

	2019 S\$	2018 S\$
<u>Financial assets</u>		
Financial assets at amortised cost:		
Cash and cash equivalents	607,654	444,592
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Accrued expenses	9,880	8,377
Loans and borrowings	100,000	100,000
	109,880	108,377
	=====	=====

Further quantitative disclosures are included throughout these financial statements.

19. 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 Charity'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 Charity. 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 there is no significant concentration of credit risk apart from cash and cash equivalents being placed into a single bank.

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.

(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 activities 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. Loans and borrowings have no fixed terms of repayment and will be repaid only when the Charity has sufficient funds.

20. Fair values of assets and liabilities

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

21. 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 2018.

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 2019 and 2018.

22. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 109	Financial Instruments
FRS 115	Revenue from Contracts with Customers. Amendments to, Clarifications to FRS 115 Revenue from Contracts with Customers

23. New standards and interpretations not yet adopted

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. None of these are applicable to the Charity based on the Charity's current operations.