

LUPUS ASSOCIATION (SINGAPORE)

[UEN. S91SS0026L]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

CONTENTS

Statement by Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent
#08-01, Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

STATEMENT BY THE MANAGEMENT COMMITTEE


In the opinion of the Management Committee,

- a) the financial statements as set out on pages 6 to 21 are drawn up so as to present fairly, in all material respects, the state of affairs of Lupus Association (Singapore) (the "Society") as at 31 December 2017, and the results, changes in funds and cash flows of the Society for the financial year then ended;
- b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on **20 APR 2018**

Irene Lim Suan Kim	President
Leong Keng Hong	Vice President
Linda Woo	Honorary Secretary
Agnes Xue Lishan	Honorary Treasurer
Grace Chan	Assistant Honorary Treasurer
Rachel Chow	Welfare Officer
Chan Suan Liang	Council Member
Dr Frank Tay	Council Member
Dr Poh Yih Jia	Council Member
Dr Anindita Santosa	Council Member
Corrine Kang	Co-opted Member
Haresh Buxani	Co-opted Member
Jo Lee	Co-opted Member
Lee Ming Li	Co-opted Member
Serene Mai	Co-opted Member

For and on behalf of the Management Committee,



Irene Lim Suan Kim
President



Agnes Xue Lishan
Honorary Treasurer

Singapore, **20 APR 2018**

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent auditor's report to the members of:

LUPUS ASSOCIATION (SINGAPORE)
[UEN. S91SS0026L]

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Lupus Association (Singapore)** (the "Society") which comprise the statement of financial position as at 31 December 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society 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 Societies Act, Chapter 311 (the "Societies 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 present fairly, in all material respects, the state of affairs of the Society as at 31 December 2017, and the results, changes in funds and cash flows of the Society 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 Society 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 statement by the Management Committee set out on page 2 but does not include the financial statements and our auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

LUPUS ASSOCIATION (SINGAPORE)
[UEN. S91SS0026L]

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

71 Ubi Crescent
#08-01Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

LUPUS ASSOCIATION (SINGAPORE)
[UEN. S91SS0026L]

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

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

- 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 Society'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 Society to cease to continue as a going concern.
- 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 Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, 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 financial year:

- (a) the Society 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 Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 20 APR 2018

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	UNRESTRICTED FUNDS 2017			UNRESTRICTED FUNDS 2016		
	General Fund	Health Endowment Fund	Total Funds	General Fund	Health Endowment Fund	Total Funds
	S\$	S\$	S\$	S\$	S\$	S\$
INCOME						
Income from generating funds						
Voluntary income						
Donations – Tax exempt (note 9)	0	168,968	168,968	0	11,915	11,915
Donations – Non-tax exempt	0	12,165	12,165	0	16,649	16,649
Walk for Lupus						
Donations – Tax exempt (note 9)	0	0	0	0	5,425	5,425
Donations – Non-tax exempt	0	0	0	0	590	590
	0	181,133	181,133	0	34,579	34,579
Income from charitable activities						
Membership fees	385	0	385	765	0	765
Sales of items	4,370	0	4,370	3,669	0	3,669
Program fees	790	0	790	55	0	55
Walk for Lupus	0	0	0	0	820	820
	5,545	0	5,545	4,489	820	5,309
Other income	152	0	152	216	0	216
TOTAL INCOME	5,697	181,133	186,830	4,705	35,399	40,104
EXPENDITURES						
Cost of generating funds						
Contractual fee	0	0	0	0	1,100	1,100
Publicity	0	0	0	0	12	12
Refreshment	0	0	0	0	675	675
Transport claims	0	0	0	0	50	50
	0	0	0	0	1,837	1,837
Cost of charitable expenses						
Courier and postage	1,577	0	1,577	1,616	0	1,616
Depreciation	775	0	775	383	0	383
Gifts & condolences to members	387	0	387	284	0	284
Special expensive treatment	0	5,744	5,744	0	50,003	50,003
Members educational talks	0	8,927	8,927	0	10,681	10,681
Office supplies	0	0	0	132	0	132
Printing and stationery	4,588	0	4,588	23,806	0	23,806
Refreshment	58	0	58	69	0	69
Telephone and internet	727	0	727	890	0	890
Transport claims	29	0	29	12	0	12
	8,141	14,671	22,812	27,192	60,684	87,876
Staffing costs						
CPF and SDL contributions	2,807	0	2,807	2,717	0	2,717
Salaries and bonuses	16,250	0	16,250	15,750	0	15,750
Staff welfare	689	0	689	50	0	50
Medical expenses	94	0	94	50	0	50
	19,840	0	19,840	18,567	0	18,567

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(CONT'D)**

	UNRESTRICTED FUNDS 2017			UNRESTRICTED FUNDS 2016		
	General fund	Health Endowment fund	Total Funds	General fund	Health Endowment fund	Total funds
	S\$	S\$	S\$	S\$	S\$	S\$
Governance and administrative cost						
Accounting fees	5,400	0	5,400	5,400	0	5,400
Audit fees – current year	3,000	0	3,000	3,001	0	3,001
Bank charges	181	0	181	177	0	177
	8,581	0	8,581	8,578	0	8,578
TOTAL EXPENDITURES	36,562	14,671	51,233	54,337	62,521	116,858
NET (DEFICIT) / SURPLUS	(30,865)	166,462	135,597	(49,632)	(27,122)	(76,754)
FUNDS BROUGHT FORWARD	(27,845)	217,953	190,108	21,787	245,075	266,862
FUNDS CARRIED FORWARD	(58,710)	384,415	325,705	(27,845)	217,953	190,108

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 S\$	2016 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	327,234	198,338
Other receivables	5	95	0
		<u>327,329</u>	<u>198,338</u>
Non-current asset			
Property, plant and equipment	6	<u>2,060</u>	<u>695</u>
Total assets		<u>329,389</u>	<u>199,033</u>
LIABILITIES			
Current liabilities			
Other payables	7	<u>3,684</u>	<u>8,925</u>
Total liabilities		<u>3,684</u>	<u>8,925</u>
NET ASSETS		<u>325,705</u>	<u>190,108</u>
UNRESTRICTED FUNDS			
General fund		<u>(58,710)</u>	<u>(27,845)</u>
Health endowment fund – General		276,237	109,775
Health endowment fund – Members’ medical subsidy		<u>108,178</u>	<u>108,178</u>
		<u>384,415</u>	<u>217,953</u>
	8	<u>325,705</u>	<u>190,108</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	UNRESTRICTED FUNDS			
	General Fund	Health Endowment Fund - General	Health Endowment Fund - Members' medical subsidy	Total
	S\$	S\$	S\$	S\$
2017				
Balance at beginning of financial year	(27,845)	109,775	108,178	190,108
Net (deficit) / surplus for the year	(30,865)	166,462	0	135,597
Balance at end of financial year	<u>(58,710)</u>	<u>276,237</u>	<u>108,178</u>	<u>325,705</u>
2016				
Balance at beginning of financial year	21,787	136,897	108,178	266,862
Net deficit for the year	(49,632)	(27,122)	0	(76,754)
Balance at end of financial year	<u>(27,845)</u>	<u>109,775</u>	<u>108,178</u>	<u>190,108</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
Net surplus / (deficit)		135,597	(76,754)
Adjustments for:			
- Depreciation	6	775	383
Operating cash flow before working capital changes		<u>136,372</u>	<u>(76,371)</u>
Changes in working capital			
- Other receivables		(95)	95
- Other payables		(5,241)	6,352
Net cash provided by / (used in) operating activities		<u>131,036</u>	<u>(69,924)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment representing net cash used in investing activities		<u>(2,140)</u>	<u>0</u>
Net increase / (decrease) in cash and cash equivalents		128,896	(69,924)
Cash and cash equivalents at beginning of financial year		198,338	268,262
Cash and cash equivalents at end of financial year	4	<u>327,234</u>	<u>198,338</u>
Cash and cash equivalents comprise:			
Cash at bank		311,159	182,293
Fixed deposit		16,075	16,045
	4	<u>327,234</u>	<u>198,338</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

1. General information

Lupus Association (Singapore) ("the Society") is registered and domiciled in Singapore. The address of its registered office is c/o Department of Rheumatology and Immunology, Tan Tock Seng Hospital, 11 Jalan Tan Tock Seng, Singapore 308433.

The principal activities of the Society are those of promotion and support of medical research on Lupus illnesses and development of community awareness of Lupus and related illnesses.

The Society is a charity registered under the Charities Act, Chapter 37 since 31 July 1992. The Society has been accorded the Institutions of a Public Character ("IPC") status for the period from 06 May 2015 to 05 May 2017 and renewed for period from 06 May 2017 to 05 May 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") under the historical cost convention and the disclosure requirement of Societies Act and the Charities Act and Regulations, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are presented in Singapore Dollar ("S\$"), which is the Society's functional currency.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Society adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Society and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

New or amended Standards and Interpretations effective after 1 January 2017

The following are the new or amended Standards and Interpretations (Issued by Accounting Standards Council up to (29 December 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases Amendments to: - FRS 109 Prepayment Features with Negative Compensation - FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of the initial application.

2.2 Revenue recognition

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

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Interest income

Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time-proportion basis using the effective interest method.

2.2.3 Program fees

Program fee is recognised in the statement of financial activities when the services are performed.

2.2.4 Other income

Other income is recognised upon receipt.

2. Significant accounting policies (Cont'd)**2.3 Property, plant and equipment****2.3.1 Measurement**

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

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

2.3.2 Depreciation

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

	<u>Useful lives</u>
Computers	5 years
Furniture and fittings	5 years
Office equipment	5 years

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

2.3.3 Subsequent expenditure

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

2.3.4 Disposal

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

2.4 Impairment of non-financial assets

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

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

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

2. Significant accounting policies (Cont'd)

2.4 Impairment of non-financial assets (Cont'd)

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

2.5 Fair value estimation of financial assets and liabilities

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

2.6 Financial assets

2.6.1 Classification

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

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

2.6.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset.

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

2.6.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Receivables are subsequently carried at amortised cost using effective interest method.

2.6.4 Impairment

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

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

2. Significant accounting policies (cont'd)

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in banks and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.8 Other payables

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

2.9 Provisions for other liabilities and charges

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

2.10 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

Employee 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 reporting date.

2.11 Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Society if that person:
- (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is governing board member, trustee or a member of the key management personnel of the Society or of a parent of the Society.

2. Significant accounting policies (cont'd)

2.11 Related parties (Cont'd)

b) An entity is related to the Society if any of the following conditions applies:

- (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
- (vi) The entity is controlled or jointly controlled by a person identified in a).
- (vii) A person identified in a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Society or to the parent of the Society.

3. Critical accounting estimates, assumptions and judgments

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

Critical judgements in applying the entity's accounting policies

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

Estimated useful lives of property, plant and equipment

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

Impairment of property, plant and equipment

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

Allowance for impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash at bank	311,159	182,293
Fixed deposits	16,075	16,045
	<u>327,234</u>	<u>198,338</u>

Fixed deposits have maturity of 1 month (2016: 1 month) from the reporting date and have effective interest rates of 0.20% (2016: 0.20%).

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

5. Other receivables

	2017 S\$	2016 S\$
Prepayments	<u>95</u>	<u>0</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.

6. Property, plant and equipment

	Balance at beginning of the year S\$	Additions S\$	Balance at end of the year S\$
2017			
At cost			
Computer	5,730	0	5,730
Furniture and fittings	2,201	0	2,201
Office equipment	6,805	2,140	8,945
	<u>14,736</u>	<u>2,140</u>	<u>16,876</u>
	Balance at beginning of the year S\$	Depreciation charge S\$	Balance at end of the year S\$
Accumulated depreciation			
Computer	5,035	347	5,382
Furniture and fittings	2,201	0	2,201
Office equipment	6,805	428	7,233
	<u>14,041</u>	<u>775</u>	<u>14,816</u>
	Balance at beginning of the year S\$		Balance at end of the year S\$
Net book value			
Computer	695		348
Furniture and fittings	0		0
Office equipment	0		1,712
	<u>695</u>		<u>2,060</u>

6. Property, plant and equipment (Cont'd)

2016 At cost	Balance at beginning of the year S\$	Additions S\$	Balance at end of the year S\$
Computer	5,730	0	5,730
Furniture and fittings	2,201	0	2,201
Office equipment	6,805	0	6,805
	<u>14,736</u>	<u>0</u>	<u>14,736</u>
	Balance at beginning of the year S\$	Depreciation charge S\$	Balance at end of the year S\$
Accumulated depreciation			
Computer	4,652	383	5,035
Furniture and fittings	2,201	0	2,201
Office equipment	6,805	0	6,805
	<u>13,658</u>	<u>383</u>	<u>14,041</u>
	Balance at beginning of the year S\$		Balance at end of the year S\$
Net book value			
Computer	1,078		695
Furniture and fittings	0		0
Office equipment	0		0
	<u>1,078</u>		<u>695</u>

7. Other payables

	2017 S\$	2016 S\$
Accrued expenses	<u>3,684</u>	<u>8,925</u>

At the reporting date, the carrying amounts of other payables approximate their fair values.

8. Unrestricted funds

The unrestricted funds mainly consist of the following:

General fund

This fund was established for the purpose of meeting operating expenses incurred by the Society.

Health endowment fund

This fund is used for subsidising costs for special treatments and educational costs

9. Tax deductible receipts

Tax deductible receipts issued by the Society for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	2017 S\$	2016 S\$
Statement of financial activities:		
Voluntary income	168,968	11,915
Walk for Lupus	0	5,425
Total	<u>168,968</u>	<u>17,340</u>

10. Income tax

The Society is a charity registered under the Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13 of the Income Tax Act, Chapter 134.

11. Remuneration of key employees/executives/volunteers

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The key management personnel in this regard is the President of the Society.

No remuneration was paid to any members of the Management Committee during the current and previous year.

12. Management of conflict of interest

If the management committee of the Society is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Society or any sub-committee thereof, at which the contract or other matter is the subject of consideration, the management committee shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration or discussion of, and shall not vote on, any question with respect to that contract or other matter.

13. Financial instruments

The financial assets and liabilities of the Society as at the financial reporting date are as follows:

	2017 S\$	2016 S\$
Financial assets		
Cash and cash equivalents	<u>327,234</u>	<u>198,338</u>
Financial liabilities		
Other payables	<u>3,684</u>	<u>8,925</u>

14. Financial risk management (Cont'd)

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis. The Society has limited exposure to the following risk through its charitable activities:

The following sections provide details regarding the Society's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

Liquidity risk

Liquidity risk reflects the risk that the Society will have insufficient resources to meet its financial liabilities as and when they fall due.

The Society is primarily funded by donations from public, membership fees and program fees. The Society monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Society's activities and to mitigate the effects of fluctuation in cash flows. The Management Committee ensures that the Society has sufficient cash on demand to meet expected expenses.

The table below summarises the profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted payments.

	2017 S\$	2016 S\$
<i>Payable within one year</i>		
<u>Financial liabilities</u>		
Other payables	<u>3,684</u>	<u>8,925</u>

Interest rate risk

Changes in interest rates do not have a material impact on the Society as it does not have any interest-bearing liabilities. The following table sets out the carrying amount, by maturity, of the Society's financial instruments, that are exposed to interest rate risk.

	2017 S\$	2016 S\$
<i>Within one year – fixed rated</i>		
<u>Financial assets</u>		
Fixed deposit	<u>16,075</u>	<u>16,045</u>

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

Fair values

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

15. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2016 is as follows:

		2017	2016	Increase/ (decrease)
		S\$	S\$	%
A	Unrestricted Funds			
	Accumulated general funds	(58,710)	(27,845)	111
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	0	0	0
C	Endowment Funds	384,415	217,953	76
D	Total Funds	325,705	190,108	71
E	Total Annual Operating Expenditure	51,233	116,858	(56)
F	Ratio of Funds to Annual Operating Expenditure (D/E)	6.35	1.63	

Reference:

- B. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- C. Total Funds include unrestricted, restricted / designated and endowment funds.
- D. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Administrative Costs.

The Society's Reserve Policy is as follows:

The Society's reserve policy requires it to build an operating reserve of three years to ensure that services can continue to function during lean years. Fund raising income usually reduces during the periods when the economy is not doing well but it is also during these periods that beneficiaries need help the most.

The Society will not keep a reserve fund that is more than three years of its operating budget. The Society's overall approach to management of reserve remains unchanged from 2008.

16. Authorisation of financial statements

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

20 APR 2018