

LUPUS ASSOCIATION (SINGAPORE)
[Unique Entity No. S91SS0026L]
[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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STATEMENT BY THE MANAGEMENT COMMITTEE

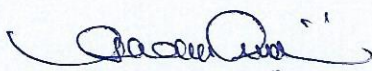
In the opinion of the Management Committee, the financial statements as set out on pages 5 to 20 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2015, the financial performance, changes in funds and cash flows of the Society for the year then ended.

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.

President	Irene Lim Suan Kim	
Vice President	Leong Keng Hong	
Honorary Secretary	Agnes Xue Lishan	
Honorary Assistant Secretary	Tan Sze Chin	Appointed on 24 February 2016
Honorary Treasurer	Linda Woo	
Honorary Assistant Treasurer	Chan Suan Liang	
Treasurer	Nancy Chin Choy Hoong	
Welfare Officer	Aisha Lateef	
Council Member	Grace Chan	
Council Member	Poh Yih Jia	
Council Member	Charmaine Lee	
Co-opted member	Jo Lee	
Co-opted member	David Au	
Co-opted member	Haresh Buxani	
Co-opted member	Lee Ming Li	

For and on behalf of the Management Committee,



Irene Lim Suan Kim
President



Linda Woo
Honorary Treasurer

Singapore,

31 MAR 2016

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

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Independent auditors' report to the members of:

LUPUS ASSOCIATION (SINGAPORE)

[Unique Entity No. S91SS0026L]
[Registered under the Registrar of Societies]

Report on the Financial Statements

We have audited the accompanying financial statements of **Lupus Association (Singapore)** (the "Society") set out on pages 5 to 20, which comprise the statement of financial position of the Society as at 31 December 2015, statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statement and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fiducia LLP

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Accountants of Singapore

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(CONT'D)

Independent auditors' report to the members of:

LUPUS ASSOCIATION (SINGAPORE)

[Unique Entity No. S91SS0026L]
[Registered under the Registrar of Societies]

Opinion

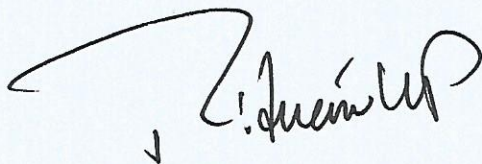
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Society as at 31 December 2015, and the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **31 MAR 2016**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	UNRESTRICTED FUNDS 2015			UNRESTRICTED FUNDS 2014		
	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	0	12,200	12,200	0	81,708	81,708
Donations – Non-tax exempt	0	19,350	19,350	0	2,999	2,999
Walk for Lupus						
Donations – Tax exempt	0	0	0	0	39,275	39,275
Donations – Non-tax exempt	0	0	0	0	14,688	14,688
	0	31,550	31,550	0	138,670	138,670
Income from charitable activities						
Membership fees	410	0	410	1,439	0	1,439
Sales of items	0	0	0	6,168	0	6,168
Program fees	1,130	0	1,130	40	0	40
	1,540	0	1,540	7,647	0	7,647
Other income						
Fixed deposit interest	0	0	0	24	0	24
Other income	2,384	0	2,384	2,702	0	2,702
	2,384	0	2,384	2,726	0	2,726
TOTAL INCOME	3,924	31,550	35,474	10,373	138,670	149,043
EXPENDITURES						
Cost of generating funds						
Goodie bags sponsorship	0	0	0	0	1,100	1,100
Publicity	0	0	0	0	2,338	2,338
Refreshment	0	0	0	0	1,990	1,990
Rental	0	0	0	0	1,220	1,220
Transport claims	0	0	0	0	200	200
Audit fees	0	0	0	0	1,284	1,284
Casual labour	0	0	0	0	50	50
	0	0	0	0	8,182	8,182
Cost of charitable expenses						
Courier and postage	1,501	0	1,501	1,191	0	1,191
Depreciation	1,284	0	1,284	1,418	0	1,418
Gifts & condolences to members	2,355	0	2,355	909	0	909
Special expensive treatment	0	17,177	17,177	0	22,389	22,389
Maintenance- office equipment	992	0	992	0	0	0
Members educational talks	0	7,588	7,588	0	1,484	1,484
Office supplies	95	0	95	130	0	130
Printing and stationery	7,094	0	7,094	3,724	0	3,724
Refreshment	268	0	268	376	0	376
Telephone and internet	701	0	701	1,658	0	1,658
Transport claims	50	0	50	561	0	561
	14,340	24,765	39,105	9,967	23,873	33,840
Staffing costs						
Casual labour	0	0	0	150	0	150
CPF and SDL contributions	2,662	0	2,662	928	0	928
Salaries and bonuses	15,448	0	15,448	13,601	0	13,601
Medical Expenses	17	0	17	0	0	0
	18,127	0	18,127	14,679	0	14,679

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
(CONT'D)

	UNRESTRICTED FUNDS 2015			UNRESTRICTED FUNDS 2014		
	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	1,600	0	1,600	1,600	0	1,600
Audit fees – prior year	0	0	0	105	0	105
Bank charges	194	0	194	313	0	313
	<u>7,194</u>	<u>0</u>	<u>7,194</u>	<u>7,418</u>	<u>0</u>	<u>7,418</u>
TOTAL EXPENDITURES	<u>39,661</u>	<u>24,765</u>	<u>64,426</u>	<u>32,064</u>	<u>32,055</u>	<u>64,119</u>
NET SURPLUS / (DEFICIT)	(35,737)	6,785	(28,952)	(21,691)	106,615	84,924
FUNDS BROUGHT FORWARD	32,524	263,290	295,814	54,215	156,675	210,890
TRANSFER TO / (FROM)	<u>25,000</u>	<u>(25,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUNDS CARRIED FORWARD	<u>21,787</u>	<u>245,075</u>	<u>266,862</u>	<u>32,524</u>	<u>263,290</u>	<u>295,814</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	268,262	299,430
Other receivables	5	95	24
		<u>268,357</u>	<u>299,454</u>
Non-current assets			
Property, plant and equipment	6	<u>1,078</u>	<u>2,362</u>
Total assets		<u>269,435</u>	<u>301,816</u>
LIABILITIES			
Current liabilities			
Other payables	7	<u>2,573</u>	<u>6,002</u>
Total liabilities		<u>2,573</u>	<u>6,002</u>
NET ASSETS		<u>266,862</u>	<u>295,814</u>
UNRESTRICTED FUNDS			
General fund		<u>21,787</u>	<u>32,524</u>
Health endowment fund – General		136,897	155,112
Health endowment fund – Members’ medical subsidy		<u>108,178</u>	<u>108,178</u>
		<u>245,075</u>	<u>263,290</u>
	8	<u>266,862</u>	<u>295,814</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	UNRESTRICTED FUNDS			Total
	General Fund	Health Endowment Fund - General	Health Endowment Fund - Members' medical subsidy	
	S\$	S\$	S\$	S\$
2015				
Balance at beginning of financial year	32,524	155,112	108,178	295,814
Net (deficit) / surplus for the year	(35,737)	6,785	0	(28,952)
Transfer to /(from)	25,000	(25,000)	0	0
Balance at end of financial year	<u>21,787</u>	<u>136,897</u>	<u>108,178</u>	<u>266,862</u>
2014				
Balance at beginning of financial year	54,215	48,497	108,178	210,890
Net (deficit) / surplus for the year	(21,691)	106,615	0	84,924
Balance at end of financial year	<u>32,524</u>	<u>155,112</u>	<u>108,178</u>	<u>295,814</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Net (deficit) / surplus		(28,952)	84,924
Adjustments for:			
- Depreciation	6	1,284	1,418
- Fixed deposit interest		0	(24)
Operating cash flow before working capital changes		(27,668)	86,318
Changes in working capital			
- Other receivables		(71)	3,036
- Other payables		(3,429)	3,859
Net cash (used in) / provided by operating activities		<u>(31,168)</u>	<u>93,213</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	6	0	(1,737)
Interest received		0	24
Net cash used in investing activities		<u>0</u>	<u>(1,713)</u>
Net (decrease) / increase in cash and cash equivalents		(31,168)	91,500
Cash and cash equivalents at beginning of financial year		299,430	207,930
Cash and cash equivalents at end of financial year	4	<u>268,262</u>	<u>299,430</u>
Cash and cash equivalents comprise:			
Cash at bank		252,275	283,467
Fixed deposit		15,987	15,963
	4	<u>268,262</u>	<u>299,430</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 objective of the Society is to promote and support medical research on Lupus illnesses and to develop community awareness of Lupus and related illnesses.

The Society has been accorded the Institutions of a Public Character ("IPC") status for the period from 06 May 2015 to 05 May 2017.

These financial statements are presented in Singapore Dollar, which is the Society's functional currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, 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.

Interpretations and amendments to published standards effective in 2015

On 1 January 2015, 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 adaptation 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)

Interpretations and amendments to published standards effective in 2015 (cont'd)

The following are the new or amended Standards and Interpretations (issued up to 04 January 2016) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
FRS 114 Regulatory Deferral Accounts Amendments to FRS 27: Equity Method in Separate Financial Statements Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation Amendments to FRS 16 and FRS 41: Agricultural - Bearer Plants Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to FRS 110, FRS 112 and FRS 28 : Investment Entities: applying the consolidation exception FRS 1 Amendments to FRS 1 : Disclosure Initiative	1 January 2016
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers	1 January 2018

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 statement of financial position 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 taken to the statement of financial activities.

2.4 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, 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 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. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

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 statement of financial position 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 statement of financial position 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

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 statement of financial position 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 Other payables

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

2.8 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.

2.9 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 statement of financial position date.

2.10 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;
- 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.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions.

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

	2015 S\$	2014 S\$
Cash at bank	252,275	283,467
Fixed deposits	15,987	15,963
	<u>268,262</u>	<u>299,430</u>

Fixed deposits had maturity of 1 month (2014: 1 month) from the reporting date and have effective interest rates of 0.15% (2014: 0.15%).

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

5. Other receivables

	2015 S\$	2014 S\$
Other receivables:		
- Prepayments	95	0
- Interest receivables	0	24
	<u>95</u>	<u>24</u>

At the reporting date, the carrying amounts of other receivables, deposits and prepayment approximated their fair value.

6. Property, plant and equipment

	Balance at beginning of the year S\$	Additions S\$	(Disposals) S\$	Balance at end of the year S\$
2015 At cost				
Computer	5,730	0	0	5,730
Furniture and fittings	2,201	0	0	2,201
Office equipment	6,805	0	0	6,805
	<u>14,736</u>	<u>0</u>	<u>0</u>	<u>14,736</u>
	Balance at beginning of the year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of the year S\$
Accumulated depreciation				
Computer	3,656	996	0	4,652
Furniture and fittings	2,201	0	0	2,201
Office equipment	6,517	288	0	6,805
	<u>12,374</u>	<u>1,284</u>	<u>0</u>	<u>13,658</u>
	Balance at beginning of the year S\$			Balance at end of the year S\$
Net book value				
Computer	2,074			1,078
Furniture and fittings	0			0
Office equipment	288			0
	<u>2,362</u>			<u>1,078</u>

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

	Balance at beginning of the year S\$	Additions S\$	(Disposals) S\$	Balance at end of the year S\$
2014				
At cost				
Computer	3,993	1,737	0	5,730
Furniture and fittings	2,201	0	0	2,201
Office equipment	6,805	0	0	6,805
	<u>12,999</u>	<u>1,737</u>	<u>0</u>	<u>14,736</u>
	Balance at beginning of the year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of the year S\$
Accumulated depreciation				
Computer	2,660	996	0	3,656
Furniture and fittings	2,201	0	0	2,201
Office equipment	6,095	422	0	6,517
	<u>10,956</u>	<u>1,418</u>	<u>0</u>	<u>12,374</u>
	Balance at beginning of the year S\$			Balance at end of the year S\$
Net book value				
Computer	1,333			2,074
Furniture and fittings	0			0
Office equipment	710			288
	<u>2,043</u>			<u>2,362</u>

7. Other payables

	2015 S\$	2014 S\$
Accrued expenses	<u>2,573</u>	<u>6,002</u>

At the reporting date, the carrying amounts of other payables and accruals approximated their fair values.

8. Unrestricted funds

The unrestricted funds comprise

- General Fund which is for the purpose of meeting operating expenses incurred by the Society;
- Health Endowment Fund which is for subsidising costs for special treatments and educational costs

9. Income tax

The Society is a charity registered under the Charities Act since 31 July 1992. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

10. Remuneration of key employees/executives/volunteers

The key management personnel is the President of the Society.

During the current and previous year, none of the members of the Management Committee was paid any remuneration.

11. 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.

12. Financial instruments

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

	2015 S\$	2014 S\$
Financial assets		
Cash and cash equivalents	268,262	299,430
Other receivables (excluding prepayments)	0	24
	<u>268,262</u>	<u>299,454</u>
Financial liabilities measured at amortised cost		
Other payables	<u>2,573</u>	<u>6,002</u>

13. Financial risk management

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.

13. Financial risk management (cont'd)

The Society has limited exposure to the following risk through its charitable activities:

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

Credit risk

The society has minimal exposure to credit risk due to the nature of its activities.

Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Management Committee to fund the Society's activities. It places its cash with creditworthy institutions.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

14. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2015 is as follows:

		2015	2014	Increase/ (decrease)
		S\$	S\$	%
A	Unrestricted Funds			
	Accumulated general funds	21,787	32,524	(33)
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	0	0	0
C	Endowment Funds	245,075	263,290	(7)
D	Total Funds	266,862	295,814	(10)
E	Total Annual Operating Expenditure	64,426	64,119	0.5
F	Ratio of Funds to Annual Operating Expenditure (D/E)	4.14	4.61	

Reference:

- C. 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.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Administrative Costs.

14. Reserve position and policy (Cont'd)

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.

15. Authorisation of financial statements

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

31 MAR 2016