

CLUB HEAL

[Unique Entity No. T12SS0028K]

[IPC No. IPC000780]

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

**AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2013
TO 31 MARCH 2014**

CONTENTS

Statement by Management Committee	2
Independent Auditors' Report	3
Statement of Financial Position	5
Statement of Financial Activities	6
Statement of Cash Flows	8
Notes to the Financial Statements	9

**Suhaimi Salleh &
Associates**

Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 March 2014 and of its results of financial activities, the changes in funds and cash flows of the Association for the period then ended.

At the date of this statement, there are reasonable grounds to believe that the Association 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 15 JUL 2014

President	Radiah Binti Salim
Vice-President	Yang Chek Binte Salikin
Secretary	Noorunnisa D/O PK Ibrahim Kutty
Assistant Secretary	Lubna Bte Iskhandar Shah
Treasurer	Siti Hawa Binte Sulaiman
Committee Member	Abdul Wahab Bin Ahmad
Committee Member	Bibi Jan Binte Mohamed Ayyub
Committee Member	Hairul Anuar Bin Subari
Committee Member	Hasnan Bin Saadah
Committee Member	Fernando Raymond Anthony
Committee Member	Md Saifudin Bin Maarof
Committee Member	Noor Hazmah Bte Basiran
Committee Member	Nor Hidayah Binte Mohd Amin
Committee Member	Rohanah Binte Pagi

For and on behalf of the Management Committee,



Radiah Binti Salim
President



Siti Hawa Binte Sulaiman
Treasurer

Singapore, 15 JUL 2014

Suhaimi Salleh & Associates

Public Accountants and
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Independent auditors' report to the members of:

CLUB HEAL
[Unique Entity No. T12SS0028K]
[IPC No. IPC000780]

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

Reports on Financial Statements

We have audited the accompanying financial statements of **Club Heal** (the "Association") as set out on pages 5 to 21, which comprise the statement of financial position as at 31 March 2014, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the financial period 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 Charities Accounting Standard, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of 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 controls. 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.

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

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(CONT'D)

Independent auditors' report to the members of:

CLUB HEAL

[Unique Entity No. T12SS0028K]
[IPC No. IPC000780]

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

Opinion

In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act, (Chapter 311) the Charities Act (Chapter 37) and Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Association as at 31 March 2014, and the results, changes in funds and cash flows of the Association 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 Association have been properly kept in accordance with the provisions of the Act.

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.



Suhaimi Salleh & Associates
Public Accountants and
Chartered Accountants

Singapore, 15 JUL 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	31.03.2014 S\$	31.12.2012 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	196,169	8,086
Other receivables	5	966	0
		197,135	8,086
Non-current assets			
Property, plant and equipment	6	15,501	4,545
Total assets		212,636	12,631
LIABILITIES			
Current liabilities			
Accruals and other payables	7	29,708	3,470
Total liabilities		29,708	3,470
NET ASSETS		182,928	9,161
FUNDS			
UNRESTRICTED FUND			
General fund	8	116,121	7,863
RESTRICTED FUND			
Designated donation fund	8	66,807	1,298
		182,928	9,161

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

	Unrestricted Funds 01.01.2013 To 31.03.2014 S\$	Restricted Funds 01.01.2013 To 31.03.2014 S\$	Total Funds 01.01.2013 To 31.03.2014 S\$	Total Funds 01.01.2012 To 31.12.2012 S\$
INCOME				
Income from generating funds				
Voluntary income				
- Grants	0	163,576	163,576	5,000
- Donation – Non-tax deductible	121,750	0	121,750	57,985
- Donations – Tax deductible	57,740	0	57,740	0
- Membership fees	130	0	130	220
	<u>179,620</u>	<u>163,576</u>	<u>343,196</u>	<u>63,205</u>
Fundraising activities				
- Bazaar income	0	0	0	1,022
- Cafe @ BBE	3,159	0	3,159	0
- Thrift shops	2,938	0	2,938	15
	<u>6,097</u>	<u>0</u>	<u>6,097</u>	<u>1,037</u>
Income from charitable activities				
Entrance fee	325	0	325	110
Charity golf	77,895	0	77,895	0
Outreach activities income	0	0	0	529
	<u>78,220</u>	<u>0</u>	<u>78,220</u>	<u>639</u>
Other income				
Employment credit	2,744	0	2,744	0
Others	5,062	0	5,062	0
TOTAL INCOME	<u>271,743</u>	<u>163,576</u>	<u>435,319</u>	<u>64,881</u>
EXPENDITURE				
Cost of generating funds				
CPF and SDL charges	4,863	0	4,863	
Charity golf expenses	13,557		13,557	
Depreciation on property, plant and equipment	437	0	437	11
Empowering caregivers seminar	0	1,176	1,176	
Launch expenses	0	0	0	44
Office supplies	0	340	340	
Repair and maintenance	68	0	68	
Salaries and related costs	29,643	0	29,643	7,113
Subscriptions	119	0	119	0
Utilities	59	202	261	
	<u>48,746</u>	<u>1,718</u>	<u>50,464</u>	<u>7,113</u>
Fundraising activities				
Cafe @ BBE	1,289	0	1,289	0
Bazaar expenses	0	0	0	14
Thrift shops	517	0	517	0
	<u>1,806</u>	<u>0</u>	<u>1,806</u>	<u>14</u>
Cost of charitable activities				
Bank charges	122	0	122	
Combined outings	1,469	1,238	2,707	1,580
CPF and SDL charges	7,186	9,924	17,110	0
Depreciation of property, plant and equipment	3,497	0	3,497	87
Empowering caregivers seminar	0	1,176	1,176	0
Balance carried forward	<u>12,274</u>	<u>12,338</u>	<u>24,612</u>	<u>1,667</u>

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014 (CONT'D)

	Unrestricted Funds 01.01.2013 To 31.03.2014 S\$	Restricted Funds 01.01.2013 To 31.03.2014 S\$	Total Funds 01.01.2013 To 31.03.2014 S\$	Total Funds 01.01.2012 To 31.12.2012 S\$
EXPENDITURE (CONT'D)				
Cost of charitable activities (Cont'd)				
Balance brought forward	12,274	12,338	24,612	1,667
Events	2,445	0	2,445	0
Film premier screening	555	0	555	0
Honorarium	10,075	0	10,075	96
Office supplies	0	340	340	379
Publicity	151	614	765	400
Rehabilitation expenses	2,984	2,618	5,602	2,997
Repair and maintenance	68	0	68	0
Salaries and bonus	53,327	73,641	126,968	34,552
Subscriptions	119	0	119	0
Transportation	0	995	995	75
Volunteers allowances	4,354	0	4,354	0
Volunteers training expenses	148	0	148	42
Utilities	59	202	261	0
	<u>86,559</u>	<u>90,748</u>	<u>177,307</u>	<u>40,208</u>
Governance and other administrative costs				
Audit fee	4,000	0	4,000	1,500
Bank charges	122	0	122	0
CPF and SDL charges	2,755	0	2,755	0
Depreciation of property, plant and equipment	437	0	437	11
Office supplies	0	291	291	253
Medical fees	73	27	100	0
Printing and stationery	0	299	299	0
Publicity	151	614	765	0
Rental of premises	205	2,572	2,777	0
Repair and maintenance	58	0	58	0
Salaries and other related costs	16,908	0	16,908	6,502
Staff training	233	757	990	0
Subscription	60	24	84	64
Sundry expenses	319	0	319	0
Telephone and internet charges	1,003	844	1,847	0
Utilities	50	173	223	0
	<u>26,374</u>	<u>5,601</u>	<u>31,975</u>	<u>8,330</u>
TOTAL EXPENDITURE	<u>258,846</u>	<u>98,067</u>	<u>261,552</u>	<u>55,720</u>
Surplus for the year	<u>108,258</u>	<u>65,509</u>	<u>173,767</u>	<u>9,161</u>
TOTAL FUND BROUGHT FORWARD	<u>7,863</u>	<u>1,298</u>	<u>9,161</u>	<u>0</u>
TOTAL FUND CARRIED FORWARD	<u>116,121</u>	<u>66,807</u>	<u>182,928</u>	<u>9,161</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2013 TO 31 MARCH 2014

		01.01.2013 To 31.03.2014 S\$	01.01.2012 To 31.12.2012 S\$
Cash flows from operating activities			
Surplus for the year		173,767	9,161
Adjustments for:			
- Depreciation of property, plant and equipment	6	<u>4,371</u>	<u>109</u>
Operating cash flow before working capital changes		178,138	9,270
Changes in operating assets and liabilities			
- Other receivables		(966)	0
- Other payables		<u>26,238</u>	<u>3,470</u>
Net cash generated from operating activities		<u>203,410</u>	<u>12,740</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	6	<u>(15,327)</u>	<u>(4,654)</u>
Net cash used in investing activities		<u>(15,327)</u>	<u>(4,654)</u>
Net increase in cash and cash equivalents		188,083	8,086
Cash and cash equivalents at beginning of financial year		8,086	0
Cash and cash equivalents at end of financial year		<u>196,169</u>	<u>8,086</u>
Cash and cash equivalents comprise:			
Cash at bank		193,260	4,243
Cash in hand		<u>2,909</u>	<u>3,843</u>
		<u>196,169</u>	<u>8,086</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 1 DECEMBER TO 31 MARCH 2014

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

1. General information

Club HEAL (the "Association") is registered with the Registrar of Societies under Societies Act (Chapter 311) in Singapore on 13 February 2012. The Association's registered address and principal place of business is at 244 Bukit Batok Ave 5 #01-02, Singapore 650244.

The main objects of the Association are as follow:

- (i) To organise and facilitate social and charitable activities for the promotion of mental health and rehabilitation and reintegration into the community of persons recovering from psychiatric illnesses;
- (ii) To develop, organise and implement programmes to assist and empower persons recovering from psychiatric illnesses to regain confidence in themselves and trust in others to achieve community reintegration;
- (iii) To provide assistance, support, training and education to persons suffering or recovering from psychiatric illnesses, including education in medication management, symptoms management and communication skills; and
- (iv) To work with relevant government agencies and other stakeholders on all matters pertaining to services provided by the Association and its Members.

The Association is a charity registered under the Charities Act since 13 February 2012. It has been granted an Institution of a Public Character ("IPC") status for the period from 5 February 2013 to 4 February 2015.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below. These financial statements are presented in Singapore Dollar, which is the Association's functional currency.

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

The CAS was issued by Accounting Standards Council (ASC) to set out the basis for preparing and presenting financial statements for the charity sector. It is applicable to financial periods beginning on or after 1 July 2011. The definitions and accounting treatments presented in the CAS are developed based on the requirements of FRS taking into account the context and circumstances relevant to the charity sector.

2. Significant accounting policies (Cont'd)

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 Association's activities. Revenue is recognised as follows:

2.2.1 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

2.2.2 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Association is allowed by the condition to expend the income.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

2.2.4 Other income

Other income is recognised when received.

2.3 Expenses recognition

All expenses are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Association. The total costs of charitable expenditure are apportionment of overhead and shared costs.

Governance and administrative costs include costs of governance arrangement, which relate to the general running of the Association, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment

2.4.1 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.

2.4.2 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 annual depreciation rates are as follows:

Improvement	20%
Furniture and fittings	20%
Office equipment	20%
Computer equipment	33 1/3%

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.

2.4.3 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 Association 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.

2.4.4 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. Significant accounting policies (Cont'd)

2.5 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.

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.

2.6 Financial assets

2.6.1 Recognition and derecognition

Trade and other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Trade and other receivables are subsequently measured at cost less accumulated impairment losses.

2.6.2 Derecognition

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

2. Significant accounting policies (Cont'd)

2.6 Finance assets (Cont'd)

2.6.3 Impairment

The Association 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 trade and other receivables is recognised when there is objective evidence that the Association 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 undiscounted future cash flows that the Association expects to receive. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the Society shall reverse the previously recognised impairment loss. The reversal shall not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.7 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.8 Provisions

Provisions for other liabilities and charges are recognised when the Association 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 Leases

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

2. Significant accounting policies (Cont'd)

2.10 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2.13 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid. The Association'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

2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

2.15 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

2. Significant accounting policies (Cont'd)

2.16 Financial liabilities

Financial liabilities are recognised when the Association becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.17 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes. There is no restricted fund at the end of the financial year.

2.18 Income tax

The Association is a charity registered under the Charities Act since 13 February 2012. Consequently, the income of the Association is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

3. Critical accounting estimates, assumptions and judgements

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 reporting 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 Association reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating 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 Association 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 client. If there are indications that the financial position of a client has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Cash and cash equivalents

	31.03.2014 S\$	31.12.2012 S\$
Cash in hand	2,909	3,843
Cash at bank	<u>193,260</u>	<u>4,243</u>
	<u>196,169</u>	<u>8,086</u>

5. Other receivables

	31.03.2014 S\$	31.12.2012 S\$
Deposits	300	0
Prepayments	<u>666</u>	<u>0</u>
	<u>966</u>	<u>0</u>

6. Property, plant and equipment

	Balance beginning of period S\$	Additions S\$	(Disposals / Transfers) S\$	Balance at end of period S\$
31.03.2014				
Cost				
Improvement	3,835	10,629	0	14,464
Furniture and fittings	219	769	0	988
Office equipment	600	764	0	1,364
Computer equipment	0	3,165	0	3,165
	<u>4,654</u>	<u>15,327</u>	<u>0</u>	<u>19,981</u>

	Balance beginning of period S\$	Depreciation charge S\$	(Written back/ off) S\$	Balance at end of period S\$
Accumulated depreciation				
Improvement	0	3,616	0	3,616
Furniture and fittings	29	74	0	103
Office equipment	80	262	0	342
Computer equipment	0	419	0	419
	<u>109</u>	<u>4,371</u>	<u>0</u>	<u>4,480</u>

	Balance beginning of period S\$	Balance at end of period S\$
Net book value		
Improvement	3,835	10,848
Furniture and fittings	190	885
Office equipment	520	1,022
Computer equipment	<u>0</u>	<u>2,746</u>
	<u>4,545</u>	<u>15,501</u>

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

	Balance beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
31.12.2012				
Cost				
Improvement in progress	0	3,835	0	3,835
Furniture and fittings	0	219	0	219
Office equipment	0	600	0	600
	0	4,654	0	500,554
	Balance beginning of year S\$	Depreciation charge S\$	(Written back/ off) S\$	Balance at end of year S\$
Accumulated depreciation				
Improvement in progress	0	0	0	0
Furniture and fittings	0	29	0	29
Office equipment	0	80	0	80
	0	109	0	109
	Balance beginning of year S\$			Balance at end of year S\$
Net book value				
Improvement in progress	0			3,835
Furniture and fittings	0			190
Office equipment	0			520
	0			4,545

7. Accrual and other payables

	31.03.2014 S\$	31.12.2012 S\$
Accruals	29,361	3,470
Other payable	347	0
	29,708	3,470

8. Funds

Unrestricted fund

Unrestricted funds are expendable at the discretion of the Management Committee in furtherance of the Association's objects.

Designated donation fund

Designated donation funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within the wider objects of the Association. This fund is established to finance the part of operational costs including staff cost, promotions and publicity expenses.

9. Key management personnel remuneration and benefits

	31.03.2014 S\$	31.12.2012 S\$
Salaries and other short-term employee benefits	48,650	0
Post-employment benefits – contribution to CPF	<u>5,287</u>	<u>0</u>
	<u>53,937</u>	<u>0</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
Below S\$50,000	<u>1</u>	<u>0</u>

Members of the Management Committee are volunteers and none received any remuneration or reimbursement during the period (31.12.2012: Nil).

10. Income tax

The Association is a charity registered under the Charities Act since 12 February 2012. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

11. Reserve policy

The Association is in the process of formulating its reserve policy. In the interim, the Management performs monthly reviews on the amount of reserves remaining to ensure that they are adequate to fulfil the continuing obligations of the Association.

11. Reserve policy (Cont'd)

The Association's reserve position (excluding non-current assets) for financial period ended 31 March 2014 is as follows:

		31.3.2014	31.12.2012	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	116	8	1,350
	Unrestricted designated funds	0	0	0
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	67	1	660
C	Endowment Funds	0	0	0
D	Total Funds	183	9	1,933.33
E	Total Annual Operating Expenditure	262	56	367.86
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.44	0.14	214.29

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 Operating and Administration expenses.

12. Management of conflict of interest

There is no paid staff in the Association's Management Committee.

Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Association may enter into or in any organisations that the Association has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Association's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

13. Operating lease commitments

As at the reporting date, the Association has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	31.03.2014	31.12.2012
	S\$	S\$
Not later than one year	3,852	0
Later than one year but not later than five years	4,567	0
	<u>8,419</u>	<u>0</u>

14. Comparative figures

The financial statements for the financial period ended 31 March 2014 cover the financial period from 01 January 2013 to 31 March 2014 whereas those for financial period 2012 cover the financial year from 13 February 2012 to 31 December 2012. As a result, the comparative figures are not readily comparable to the current figures.

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 15 JUL 2014