

ONE HOPE CENTRE

[UEN. T04SS0143E]

[IPC No. IPC000793]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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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 23 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2015 and of the financial performance, the 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 on

President	Christopher Chuah Chee Kian
Vice President	James Lim Choon Liang
Vice President	Chua Carolina Tang
Vice President	Vivien Leong Lai Hoong
Vice President	David Chung Gay Leong
Vice President	Lau Wan Keong
Secretary	Elis Tan Lee Ching
Treasurer	William Chua Wee Lam
Member	Josie Lau Meng-Lee
Member	Chua Ying Hwee

For and on behalf of the Management Committee,

Christopher Chuah Chee Kian
President

William Chua Wee Lam
Treasurer

Singapore,

Fiducia LLP

Public Accountants and
Chartered Accountants,
Singapore

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Independent auditors' report to the members of:

ONE HOPE CENTRE

[UEN. T04SS0143E]
[IPC No. IPC000793]

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

Report on the Financial Statements

We have audited the accompanying financial statements of **ONE HOPE CENTRE** (the "Society") set out on pages 5 to 23, which comprise the statement of financial position as at 31 December 2015, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the 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), the Singapore 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 statements 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 of material misstatement.

An audit involves performing procedures to obtain 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 controls 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 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.

Fiducia LLP

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Chartered Accountants,
Singapore

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(CONT'D)

Independent auditors' report to the members of:

ONE HOPE CENTRE

[UEN. T04SS0143E]
[IPC No. IPC000793]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

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 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 causes us to believe that during the year:

- a. The use of the donation moneys was not in accordance with the objectives of the Charity as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. The Charity has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore,

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and bank balances	4	293,851	133,238
Other receivables	5	<u>11,351</u>	<u>13,161</u>
		305,202	146,399
Non-current asset			
Property, plant and equipment	6	<u>37,939</u>	<u>47,633</u>
Total assets		<u>343,141</u>	<u>194,032</u>
LIABILITIES			
Current liabilities			
Accruals	7	<u>3,942</u>	<u>10,679</u>
Total liabilities		<u>3,942</u>	<u>10,679</u>
NET ASSETS		<u>339,199</u>	<u>183,353</u>
FUNDS			
Unrestricted			
Accumulated general fund	8	<u>146,038</u>	<u>125,991</u>
Restricted			
Lifeboat fund	8	750	1,150
Women's ministry fund	8	1,200	1,200
Care & Share fund	8	<u>191,211</u>	<u>55,012</u>
		193,161	57,362
		<u>339,199</u>	<u>183,353</u>

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

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

	Unrestricted	Restricted			Total
	Note Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & Share fund S\$	Unrestricted and restricted funds S\$
2015					
INCOME					
<u>Voluntary income</u>					
Donation from members	54,478	0	0	0	54,478
Donation from churches	10,050	0	0	0	10,050
Donation from organisation	165,795	0	0	0	165,795
	<u>230,323</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>230,323</u>
<u>Other income</u>					
Care & share grant	0	0	0	170,936	170,936
President challenge	145,000	0	0	0	145,000
Special employment credit	12,590	0	0	0	12,590
Wage credit scheme	14,383	0	0	0	14,383
	<u>171,973</u>	<u>0</u>	<u>0</u>	<u>170,936</u>	<u>342,909</u>
Total income	<u>402,296</u>	<u>0</u>	<u>0</u>	<u>170,936</u>	<u>573,232</u>
EXPENDITURE					
<u>Cost of charitable activities</u>					
Event management	133	0	0	0	133
Honorarium	2,500	0	0	0	2,500
Lifeboat fund expense	0	400	0	0	400
Love gifts	200	0	0	0	200
Rent	35,380	0	0	0	35,380
Capability building expenses	692	0	0	9,478	10,170
Capacity building expenses	0	0	0	16,560	16,560
Clinical supervision	3,000	0	0	0	3,000
New Programmes	0	0	0	8,000	8,000
Staff CPF & SDL	28,148	0	0	0	28,148
Staff Insurance	10,029	0	0	0	10,029
Staff medical fee	1,559	0	0	0	1,559
Staff salary	232,032	0	0	0	232,032
Staff bonus	8,050	0	0	0	8,050
Staff AWS	16,100	0	0	0	16,100
Staff training	260	0	0	0	260
Utilities	5,653	0	0	0	5,653
Volunteers appreciation	1,686	0	0	0	1,686
	<u>345,422</u>	<u>400</u>	<u>0</u>	<u>34,038</u>	<u>379,860</u>

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

	Note	Unrestricted	Restricted			Total
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & Share fund S\$	Unrestricted and restricted funds S\$
2015						
<u>Governance and other administrative costs</u>						
Accounting fee		2,750	0	0	0	2,750
Audit fee		3,000	0	0	0	3,000
Bank charges		122	0	0	0	122
Depreciation	6	8,995	0	0	699	9,694
General expenses		3,248	0	0	0	3,248
Insurance		397	0	0	0	397
Leasing of photocopier		(1,787)	0	0	0	(1,787)
Printing, postage and stationary		2,226	0	0	0	2,226
Publication		2,373	0	0	0	2,373
Refreshment		4,627	0	0	0	4,627
Repair & maintenance		3,131	0	0	0	3,131
Telecom charges		3,133	0	0	0	3,133
Transport		4,528	0	0	0	4,528
Website hosting		84	0	0	0	84
		<u>36,827</u>	<u>0</u>	<u>0</u>	<u>699</u>	<u>37,526</u>
Total expenditure		<u>382,249</u>	<u>400</u>	<u>0</u>	<u>34,737</u>	<u>417,386</u>
Net Income/ (expenditure)		<u>20,047</u>	<u>(400)</u>	<u>0</u>	<u>136,199</u>	<u>155,846</u>
Total fund brought forward		<u>125,991</u>	<u>1,150</u>	<u>1,200</u>	<u>55,012</u>	<u>183,353</u>
Total fund carried forward		<u><u>146,038</u></u>	<u><u>750</u></u>	<u><u>1,200</u></u>	<u><u>191,211</u></u>	<u><u>339,199</u></u>

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

Note	Unrestricted	Restricted			Total
	Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	Unrestricted and restricted funds S\$
2014					
INCOME					
<u>Voluntary income</u>					
Donation from members	68,821	0	0	0	68,821
Donation from churches	33,286	0	0	0	33,286
Donation from organisation	115,000	0	0	0	115,000
Other donation	102,702	0	0	0	102,702
	<u>319,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>319,809</u>
<u>Income from charitable activities</u>					
Sales of books	0	0	0	0	0
VCF subsidy	0	0	0	0	0
Love gift income	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other income</u>					
Care & Share grant	0	0	0	58,044	58,044
Special employment credit	11,674	0	0	0	11,674
Wage credit scheme	5,033	0	0	0	5,033
Sponsorship income	480	0	0	0	480
	<u>17,187</u>	<u>0</u>	<u>0</u>	<u>58,044</u>	<u>75,231</u>
Total income	<u>336,996</u>	<u>0</u>	<u>0</u>	<u>58,044</u>	<u>395,040</u>
EXPENDITURE					
<u>Cost of charitable activities</u>					
One Hope Anniversary expenses	17,923	0	0	0	17,923
Event management	51	0	0	0	51
Family day expenses	324	0	0	0	324
Honorarium	1,800	0	0	0	1,800
Lifeboat fund expense	0	850	0	0	850
Love gifts	500	0	0	0	500
Printing, postage and stationary	0	0	0	0	0
Rent	33,316	0	0	0	33,316
Capability building expenses	0	0	0	865	865
Capacity building expenses	134	0	0	138	272
Clinical supervision	3,000	0	0	0	3,000
Staff CPF & SDL	25,088	0	0	0	25,088
Staff Insurance	7,563	0	0	0	7,563
Staff medical fee	1,208	0	0	0	1,208
Staff salary	201,297	0	0	0	201,297
Staff AWS	29,275	0	0	0	29,275
Staff training	93	0	0	214	307
Utilities	6,357	0	0	0	6,357
Volunteers misc expense	0	0	0	0	0
Volunteers appreciation	701	0	0	0	701
	<u>328,630</u>	<u>850</u>	<u>0</u>	<u>1,217</u>	<u>330,697</u>

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

	Unrestricted	Restricted			Total Unrestricted and restricted funds S\$	
	Note	Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$		Care & share fund S\$
2014						
<u>Governance and other administrative costs</u>						
Accounting fee		2,500	0	0	0	2,500
Audit fee		3,000	0	0	0	3,000
Bank charges		97	0	0	0	97
Condolences expenses		0	0	0	0	0
Depreciation	6	9,533	0	0	303	9,836
General expenses		3,058	0	0	0	3,058
Insurance		2,959	0	0	0	2,959
Legal & professional fees		272	0	0	0	272
Leasing of photocopier		3,394	0	0	0	3,394
Membership fee		0	0	0	0	0
Office equipment maintenance		1,111	0	0	0	1,111
Office cleaning		0	0	0	0	0
Printing, postage and stationary		2,735	0	0	0	2,735
Publication		1,798	0	0	0	1,798
Refreshment		3,047	0	0	0	3,047
Repair & maintenance		447	0	0	322	769
Telecom charges		4,448	0	0	0	4,448
Training expenses		0	0	0	0	0
Transport		4,230	0	0	0	4,230
Upkeep of motor vehicle		0	0	0	0	0
Website hosting		0	0	0	1,190	1,190
		<u>42,629</u>	<u>0</u>	<u>0</u>	<u>1,815</u>	<u>44,444</u>
Total expenditure		<u>371,259</u>	<u>850</u>	<u>0</u>	<u>3,032</u>	<u>375,141</u>
Net Income/ (expenditure)		(34,263)	(850)	0	55,012	19,899
Total fund brought forward		<u>160,254</u>	<u>2,000</u>	<u>1,200</u>	<u>0</u>	<u>163,454</u>
Total fund carried forward		<u>125,991</u>	<u>1,150</u>	<u>1,200</u>	<u>55,012</u>	<u>183,353</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

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the year S\$	Balance at end of financial year S\$
2015			
Unrestricted fund			
Accumulated general fund	125,991	20,047	146,038
Restricted funds			
- Lifeboat fund	1,150	(400)	750
- Women's Ministry Fund	1,200	0	1,200
- Care & Share Fund	55,012	136,199	191,211
	<u>57,362</u>	<u>135,799</u>	<u>193,161</u>
	<u>183,353</u>	<u>155,846</u>	<u>339,199</u>
	Balance at beginning of financial year S\$	Net income/ (expenditure) for the year S\$	Balance at end of financial year S\$
2014			
Unrestricted fund			
Accumulated general fund	160,254	(34,263)	125,991
Restricted funds			
- Lifeboat fund	2,000	(850)	1,150
- Women's Ministry Fund	1,200	0	1,200
- Care & Share Fund	0	55,012	55,012
	<u>3,200</u>	<u>54,162</u>	<u>57,362</u>
	<u>163,454</u>	<u>19,899</u>	<u>183,353</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 Income		155,846	19,899
Adjustments for:			
- Depreciation of property, plant and equipment	6	<u>9,694</u>	<u>9,836</u>
Operating cash flow before working capital changes		165,540	29,735
Changes in working capital			
- Other receivables		1,810	(1,427)
- Accruals		<u>(6,737)</u>	<u>3,783</u>
Net cash provided by operating activities		<u>160,613</u>	<u>32,091</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	6	<u>0</u>	<u>(3,495)</u>
Net cash used in investing activities		<u>0</u>	<u>(3,495)</u>
Net increase in cash and cash equivalents		160,613	28,596
Cash and cash equivalents at beginning of financial year		133,238	104,642
Cash and cash equivalents at end of financial year	4	<u>293,851</u>	<u>133,238</u>
Cash and bank balances comprise:			
Cash on hand		283	224
Cash at bank		<u>293,568</u>	<u>133,014</u>
	4	<u>293,851</u>	<u>133,238</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

One Hope Centre (the "Society") was registered on 07 August 2004 under the Societies Act (Chapter 311). The Society is a charity registered under the Charities Act since 12 November 2010.

The Society's registered address and principal place of business is at 8 New Industrial Road #04-04B, LHK 3 Building, Singapore 536200.

One Hope Centre is a voluntary welfare organization, which seeks to assist members of the public who as a result of gambling are:

- Facing difficulties managing their finances due to their inability to pay creditors.
- Harassed by unlicensed moneylenders due to their inability to meet regular payments.
- Finding difficulties making ends meet due to loss of employment and having to settle for a lesser paying job.

The Society has been accorded the Institutions of a Public Character ("IPC") status for the period from 1 August 2015 to 31 July 2017.

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 financial statements are expressed in Singapore dollars ("S\$") which is the Society's functional and presentation currency.

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

The Society has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. 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.

Standards issued but not yet effective

The Society has not adopted the following new / revised FRS, INT FRS and amendments to FRSs that have been issued but not yet effective:

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

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

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 1	1.1.2016	Amendments – Disclosure initiative
FRS 16 and FRS 38	1.1.2016	Amendments – Clarification of acceptable methods of depreciation and amortisation
FRS 109	1.1.2018	Financial instruments
FRS 115	1.1.2018	Revenue from contracts with customers

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:

2.1.1 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.

2.1.2 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.3 Jobs credit scheme

The Jobs Credit scheme is government's cash grants paid to employers to help them preserve jobs. The grant is recognised on receipt basis.

2.2 Property, plant and equipment

2.2.1 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.

2.2.2 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:

2. Significant accounting policies (Cont'd)

2.2 Property, plant and equipment (Cont'd)

2.2.2 Depreciation (Cont'd)

	Useful lives
Office Equipment	5 years
Motor Vehicle	10 years
Furniture & fittings	10 years
Renovation	10 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.

2.2.3 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.

2.2.4 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 comprehensive income.

2.3 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 income statement.

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 income statement.

2. Significant accounting policies (Cont'd)

2.4 Fair value estimation financial assets and liabilities

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

2.5 Other payables and accruals

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

2.6 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.

2.7 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 income statement 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 income statement. Contingent rents are recognised as an expense in the income statement in the financial year in which they are incurred.

2.8 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 statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2.9 Financial assets

2.9.1 Classification

The Society classifies its financial assets as loans and 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 reporting date.

Loans and receivables

Loans and 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 bank balances" on the statement of financial position.

2. Significant accounting policies (Cont'd)

2.9 Financial assets (Cont'd)

2.9.2 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.

2.9.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through the profit or loss, which are recognised at fair value.

Loans and receivables and financial assets, held-to maturity is subsequently carried at amortized cost using the effective interest method.

2.9.4 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.

Loans and receivables

An allowance for impairment of loans and receivables including trade and other 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 reorganization, 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.

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 contribution 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.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institution that are subject to an insignificant risk of change in value.

2. Significant accounting policies (Cont'd)

2.12 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 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 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 reporting entity or to the parent of the reporting entity.

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.

3.1 Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the 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.

3 Critical accounting estimates, assumptions and judgements (Cont'd)

3.1 Critical judgements in applying the entity's accounting policies (Cont'd)

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.

4. Cash and bank balances

	2015 S\$	2014 S\$
Cash in hand	283	224
Cash at bank	<u>293,568</u>	<u>133,014</u>
	<u>293,851</u>	<u>133,238</u>

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

5. Other receivables

	2015 S\$	2014 S\$
Deposits	5,467	6,967
Prepayment	<u>5,884</u>	<u>6,194</u>
	<u>11,351</u>	<u>13,161</u>

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

6. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2015				
Cost				
Office equipment	14,480	0	0	14,480
Motor vehicle	33,258	0	0	33,258
Furniture & fittings	11,136	0	0	11,136
Renovation	<u>39,344</u>	<u>0</u>	<u>0</u>	<u>39,344</u>
	<u>98,218</u>	<u>0</u>	<u>0</u>	<u>98,218</u>
Accumulated depreciation				
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of Year S\$
Office equipment	9,753	1,320	0	11,073
Motor vehicle	16,630	3,326	0	19,956
Furniture & fittings	4,532	1,114	0	5,646
Renovation	<u>19,670</u>	<u>3,934</u>	<u>0</u>	<u>23,604</u>
	<u>50,585</u>	<u>9,694</u>	<u>0</u>	<u>60,279</u>

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

2015				
Net book value	Balance at beginning of year			Balance at end of year
	S\$			S\$
Office equipment	4,727			3,407
Motor vehicle	16,628			13,302
Furniture & fittings	6,604			5,490
Renovation	19,674			15,740
	<u>47,633</u>			<u>37,939</u>
	Balance at beginning of year	Additions	(Disposals)	Balance at end of year
	S\$	S\$	S\$	S\$
2014				
Cost				
Office equipment	10,985	3,495	0	14,480
Motor vehicle	33,258	0	0	33,258
Furniture & fittings	11,136	0	0	11,136
Renovation	39,344	0	0	39,344
	<u>94,723</u>	<u>3,495</u>	<u>0</u>	<u>98,218</u>
Accumulated depreciation	Balance at beginning of year	Depreciation charge	(Written back/off)	Balance at end of Year
	S\$	S\$	S\$	S\$
Office equipment	8,291	1,462	0	9,753
Motor vehicle	13,304	3,326	0	16,630
Furniture & fittings	3,418	1,114	0	4,532
Renovation	15,736	3,934	0	19,670
	<u>40,749</u>	<u>9,836</u>	<u>0</u>	<u>50,585</u>
Net book value	Balance at beginning of year			Balance at end of year
	S\$			S\$
Office equipment	2,694			4,727
Motor vehicle	19,954			16,628
Furniture & fittings	7,718			6,604
Renovation	23,608			19,674
	<u>53,974</u>			<u>47,633</u>

7. Accruals

	2015	2014
	S\$	S\$
Accruals	<u>3,942</u>	<u>10,679</u>

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

8. Funds

Unrestricted Fund

Accumulated general funds

Accumulated general funds are expendable at the discretion of the management committee in furtherance of the Society's objects.

Restricted funds

Restricted 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 Society.

As at the reporting date, the Society has the following restricted funds:

Lifeboat fund

The Lifeboat fund was established to help the families of gambling clients to tide over financial hardship faced by the households.

Women's ministry fund

The Women's Ministry fund was established to help abused women with financial difficulties in the early years of OHC's work of reaching out to the street women.

Care & Share fund

The Care and Share fund is a matching grant of one dollar for every donation dollar raised by the centre provided by the Government in celebration of SG50 to build capabilities and capacities of the social service sector.

9. Income tax expense

The Society is a charity registered under the Charities Act since 12 November 2010. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134 from 12 November 2010.

10. Operating lease agreement

As at the statement of financial position date, the Society has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2015 S\$	2014 S\$
Not later than one year	16,780	33,066
Later than one year but not later than five years	4,949	14,183
	<u>21,729</u>	<u>47,249</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

11. Tax-exempt receipts

The Society issued tax-exempt receipts for donations collected amounting to S\$168,793 for 2015 and S\$160,298 for 2014.

12. Key management personnel compensation

None of the Management Committee members received any remuneration during the financial year.

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.

(i) 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 finance the Society's operations.

(ii) Credit risk

The Society has minimal exposure to credit risks due to the nature of its activities.

(iii) Interest rate risk

The Society's policy is to obtain the most favourable interest rates available in the market. Surplus funds are placed with reputable banks.

(iv) Foreign currency risk

The Society does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

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.

14. Comparative figures

Certain reclassifications have been made to the prior year's statement of comprehensive income and statement of financial position to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended in the statement of comprehensive income. Comparative figures have been adjusted to conform to the current year's presentation.

14. Comparative figures (Cont'd)

2014	As previously reported S\$	Reclassification S\$	As restated S\$
Statement of financial activities			
Income (General fund)			
Other income	75,231	(58,044)	17,187
	<u>75,231</u>	<u>(58,044)</u>	<u>17,187</u>
Income (Care & Share fund)			
Care & share grant	0	58,044	58,044
	<u>0</u>	<u>58,044</u>	<u>58,044</u>
Expenditure			
<u>Cost of charitable activities (General fund)</u>			
Capability building expenses	865	(865)	0
Capacity building expenses	272	(138)	134
Staff training	307	(214)	93
	<u>1,444</u>	<u>(1,217)</u>	<u>227</u>
<u>Governance and other administrative costs (General fund)</u>			
Depreciation	9,836	(303)	9,533
Repair & maintenance	769	(322)	447
Website hosting	1,190	(1,190)	0
	<u>11,795</u>	<u>(1,815)</u>	<u>9,980</u>
<u>Cost of charitable activities (Care & share fund)</u>			
Capability building expenses	0	865	865
Capacity building expenses	0	138	138
Staff training	0	214	214
	<u>0</u>	<u>1,217</u>	<u>1,217</u>
<u>Governance and other administrative costs (Care & share fund)</u>			
Depreciation	0	303	303
Repair & maintenance	0	322	322
Website hosting	0	1,190	1,190
	<u>0</u>	<u>1,815</u>	<u>1,815</u>
Statement of financial position			
Funds			
Unrestricted			
Accumulated general fund	181,003	(55,012)	125,991
	<u>181,003</u>	<u>(55,012)</u>	<u>125,991</u>
Funds			
Restricted			
Care & share fund	0	55,012	55,012
	<u>0</u>	<u>55,012</u>	<u>55,012</u>

15. Authorisation of financial statements

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