

ONE HOPE CENTRE

[UEN. T04SS0143E]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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Fiducia LLP

[UEN. T10LL0955L]

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 6 to 29 are drawn up so as to present fairly, in all material respects, the state of affairs of One Hope Centre (the "Society") as at 31 December 2017, and the results, 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.

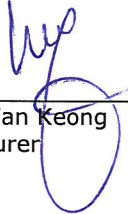
The Management Committee, comprising the following, authorised the issue of these financial statements on

President	Chuah Chee Kian Christopher
Vice President	Lim Choon Liang James
Vice President	Chung Gay Leong David
Vice President	Leong Lai Hoong Vivien
Secretary	Chua Wee Lam William
Treasurer	Lau Wan Keong
Advisor	Chai Shung Chee
Advisor	Yuan Fong Choo

For and on behalf of the Management Committee,



Christopher Chuah Chee Kian
President



Lau Wan Keong
Treasurer

Singapore, **03 MAY 2018**

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Independent auditor's report to the members of:

ONE HOPE CENTRE

[UEN. T04SS0143E]

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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of One Hope Centre (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2017, the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2017 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee set out on page 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

ONE HOPE CENTRE

[UEN. T01SS0059B]

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

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

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(CONT'D)

Independent auditor's report to the members of:

ONE HOPE CENTRE

[UEN. T04SS0143E]

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- a. the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, **03 MAY 2018**

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

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	President's Challenge S\$	S\$
2017							
INCOME							
Income from generating funds							
<u>Voluntary income</u>							
Donation from individuals	5	67,878	0	0	0	0	67,878
Donation from churches	5	33,345	0	0	0	0	33,345
Donation from organisation	5	21,200	0	0	0	0	21,200
Fundraising and anniversary dinner	5	351,183	0	0	0	0	351,183
Care & share grant		0	0	0	335,989	0	335,989
Lifeboat fund	5	0	500	0	0	0	500
Tote Board		50,000	0	0	0	0	50,000
		<u>523,606</u>	<u>500</u>	<u>0</u>	<u>335,989</u>	<u>0</u>	<u>860,095</u>
Other income							
Singtel grant		360	0	0	0	0	360
Special employment credit		11,790	0	0	0	0	11,790
Wages credit scheme		2,516	0	0	0	0	2,516
		<u>14,666</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,666</u>
Total income		<u>538,272</u>	<u>500</u>	<u>0</u>	<u>335,989</u>	<u>0</u>	<u>874,761</u>
EXPENDITURE							
Cost of charitable activities							
Capability building expenses		0	0	0	70,946	0	70,946
Capacity building expenses		0	0	0	3,295	0	3,295
Fundraising dinner expenses		53,827	0	0	0	0	53,827
Honorarium		1,600	0	0	0	0	1,600
Lifeboat fund expense		0	800	0	0	0	800
Balance c/f		<u>55,427</u>	<u>800</u>	<u>0</u>	<u>74,241</u>	<u>0</u>	<u>130,468</u>

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	President's Challenge S\$	
2017 (CONT'D)							
EXPENDITURE (CONT'D)							
Cost of charitable activities (cont'd)							
Balance b/f		55,427	800	0	74,241	0	130,468
Monthly 1st Sat. fellowship		3,643	0	0	0	0	3,643
Printing and stationery		130	0	0	0	0	130
Rent		58,228	0	0	0	0	58,228
Refreshment and foods		554	0	0	0	0	554
Staff CPF & SDL		34,127	0	0	0	0	34,127
Staff insurance		12,973	0	0	0	0	12,973
Staff medical fee		3,071	0	0	0	0	3,071
Staff salary		278,429	0	0	0	0	278,429
Staff AWS		0	0	0	0	0	0
Staff training		107	0	0	0	0	107
Staff welfare		2,000	0	0	0	0	2,000
Upstream programmes		0	0	0	21,132	0	21,132
Utilities		3,461	0	0	0	0	3,461
Volunteers activities		4,704	0	0	0	0	4,704
		<u>456,854</u>	<u>800</u>	<u>0</u>	<u>95,373</u>	<u>0</u>	<u>553,027</u>
Governance and administrative costs							
Accounting fee		3,650	0	0	0	0	3,650
Audit fee		4,918	0	0	0	0	4,918
Bank charges		163	0	0	0	0	163
Depreciation	8	984	0	0	18,198	0	19,182
General expenses		3,727	0	0	0	0	3,727
Insurance		653	0	0	0	0	653
Balance c/f		<u>14,095</u>	<u>0</u>	<u>0</u>	<u>18,198</u>	<u>0</u>	<u>32,293</u>

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	President's Challenge S\$	S\$
2017 (CONT'D)							
EXPENDITURE (CONT'D)							
Governance and administrative costs (cont'd)							
Balance b/f		14,095	0	0	18,198	0	32,293
IT maintenance		140	0	0	0	0	140
Printing, postage and stationery		1,699	0	0	0	0	1,699
Property, plant and equipment written off		0	0	0	0	0	0
Refreshment and foods		604	0	0	0	0	604
Repair & maintenance		1,417	0	0	0	0	1,417
Telecom charges		2,648	0	0	0	0	2,648
Transport		608	0	0	0	0	608
Website hosting		139	0	0	0	0	139
		<u>21,350</u>	<u>0</u>	<u>0</u>	<u>18,198</u>	<u>0</u>	<u>39,548</u>
Total expenditure		<u>478,204</u>	<u>800</u>	<u>0</u>	<u>113,571</u>	<u>0</u>	<u>592,575</u>
Net income/ (expenditure) for the year		<u>60,068</u>	<u>(300)</u>	<u>0</u>	<u>222,418</u>	<u>0</u>	<u>282,186</u>

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	President's Challenge S\$	S\$
2016							
INCOME							
<u>Income from operating funds</u>							
<u>Voluntary income</u>							
Donation from individuals	5	53,390	0	0	0	0	53,390
Donation from churches	5	16,688	0	0	0	0	16,688
Donation from organisation	5	107,100	0	0	0	0	107,100
Fundraising and anniversary dinner	5	74,000	0	0	0	0	74,000
Care & share grant		0	0	0	442,392	0	442,392
President challenge	5	0	0	0	0	87,000	87,000
		<u>251,178</u>	<u>0</u>	<u>0</u>	<u>442,392</u>	<u>87,000</u>	<u>780,570</u>
Other income							
Special employment credit		14,484	0	0	0	0	14,484
Wages credit scheme		18,967	0	0	0	0	18,967
		<u>33,451</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,451</u>
Total income		<u>284,629</u>	<u>0</u>	<u>0</u>	<u>442,392</u>	<u>87,000</u>	<u>814,021</u>
EXPENDITURE							
Cost of charitable activities							
Capability building expenses		0	0	0	26,115	0	26,115
Capacity building expenses		0	0	0	14,264	0	14,264
Clinical supervision		3,000	0	0	0	0	3,000
Family day		991	0	0	0	0	991
Fundraising dinner expense		259	0	0	0	0	259
Honorarium		20,800	0	0	0	0	20,800
Love gifts		1,000	0	0	0	0	1,000
Balance c/f		<u>26,050</u>	<u>0</u>	<u>0</u>	<u>40,379</u>	<u>0</u>	<u>66,429</u>

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	President's Challenge S\$	
2016 (CONT'D)							
EXPENDITURE (CONT'D)							
Cost of charitable activities (cont'd)							
Balance b/f		26,050	0	0	40,379	0	66,429
Rent		43,541	0	0	0	0	43,541
Monthly 1st Sat. fellowship		4,759	0	0	0	0	4,759
Staff CPF & SDL		33,417	0	0	0	0	33,417
Staff insurance		10,026	0	0	0	0	10,026
Staff medical fee		2,334	0	0	0	0	2,334
Staff salary		168,765	0	0	0	87,000	255,765
Staff AWS		18,314	0	0	0	0	18,314
Staff training		11	0	0	0	0	11
Staff welfare		1,580	0	0	0	0	1,580
Upstream programmes		0	0	0	10,899	0	10,899
Utilities		3,863	0	0	0	0	3,863
Volunteers activities		3,482	0	0	0	0	3,482
		<u>316,142</u>	<u>0</u>	<u>0</u>	<u>51,278</u>	<u>87,000</u>	<u>454,420</u>
Governance and administrative costs							
Accounting fee		3,050	0	0	0	0	3,050
Audit fee		3,000	0	0	0	0	3,000
Bank charges		126	0	0	0	0	126
Depreciation	8	1,161	0	0	18,198	0	19,359
Donation		1,000	0	0	0	0	1,000
Entertainment		522	0	0	0	0	522
General expenses		3,153	0	0	0	0	3,153
Insurance		497	0	0	0	0	497
Balance c/f		<u>12,509</u>	<u>0</u>	<u>0</u>	<u>18,198</u>	<u>0</u>	<u>30,707</u>

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

	Unrestricted	Restricted funds				Total unrestricted and restricted funds S\$
	fund	Lifeboat	Women's	Care & share	President's	
Note	Accumulated general fund S\$	fund S\$	ministry fund S\$	fund S\$	Challenge S\$	
2016 (CONT'D)						
EXPENDITURE (CONT'D)						
Governance and administrative costs (cont'd)						
Balance b/f	12,509	0	0	18,198	0	30,707
IT maintenance	448	0	0	0	0	448
Printing, postage and stationery	3,072	0	0	0	0	3,072
Professional fee	749	0	0	0	0	749
Property, plant and equipment written off	31,749	0	0	0	0	31,749
Publication	1,798	0	0	0	0	1,798
Refreshment and foods	1,572	0	0	0	0	1,572
Repair & maintenance	2,298	0	0	0	0	2,298
Telecom charges	2,524	0	0	0	0	2,524
Transport	2,301	0	0	0	0	2,301
Website hosting	118	0	0	0	0	118
	<u>59,138</u>	<u>0</u>	<u>0</u>	<u>18,198</u>	<u>0</u>	<u>77,336</u>
Total expenditure	<u>375,280</u>	<u>0</u>	<u>0</u>	<u>69,476</u>	<u>87,000</u>	<u>531,756</u>
Net income/ (expenditure) for The year	<u>(90,651)</u>	<u>0</u>	<u>0</u>	<u>372,916</u>	<u>0</u>	<u>282,265</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017				2016	
		Unrestricted fund	Restricted funds			Total unrestricted and restricted funds	Total unrestricted and restricted funds
		Accumulated general fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	Care & share fund S\$	S\$	S\$
ASSETS							
Current assets							
Cash and cash equivalents	6	323,278	450	1,200	434,074	759,002	477,121
Other receivables	7	12,125	0	0	0	12,125	12,590
		<u>335,403</u>	<u>450</u>	<u>1,200</u>	<u>434,074</u>	<u>771,127</u>	<u>489,711</u>
Non-current assets							
Property, plant and equipment	8	1,551	0	0	141,087	142,638	161,820
Total assets		<u>336,954</u>	<u>450</u>	<u>1,200</u>	<u>575,161</u>	<u>913,765</u>	<u>651,531</u>
LIABILITIES							
Current liabilities							
Accruals		10,115	0	0	0	10,115	30,067
Total liabilities		<u>10,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,115</u>	<u>30,067</u>
NET ASSETS		<u>326,839</u>	<u>450</u>	<u>1,200</u>	<u>575,161</u>	<u>903,650</u>	<u>621,464</u>
FUNDS	9 to 13	<u>326,839</u>	<u>450</u>	<u>1,200</u>	<u>575,161</u>	<u>903,650</u>	<u>621,464</u>

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

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

	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Transfers from/ (to) S\$	Balance at end of year S\$
2017				
Unrestricted fund				
Accumulated general fund	57,269	60,068	209,502	326,839
Restricted funds				
Lifeboat fund	750	(300)	0	450
Women's ministry fund	1,200	0	0	1,200
Care & share fund	562,245	222,418	(209,502)	575,161
President's Challenge	0	0	0	0
	<u>564,195</u>	<u>222,118</u>	<u>(209,502)</u>	<u>576,811</u>
Total funds	<u>621,464</u>	<u>282,186</u>	<u>0</u>	<u>903,650</u>
2016				
Unrestricted fund				
Accumulated general fund	146,038	(90,651)	1,882	57,269
Restricted funds				
Lifeboat fund	750	0	0	750
Women's ministry fund	1,200	0	0	1,200
Care & share fund	191,211	372,916	(1,882)	562,245
President's Challenge	0	0	0	0
	<u>193,161</u>	<u>372,916</u>	<u>0</u>	<u>564,195</u>
Total funds	<u>339,199</u>	<u>282,265</u>	<u>0</u>	<u>621,464</u>

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

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

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
Net income for the year		282,186	282,265
Adjustments for:			
- Depreciation of property, plant and equipment	8	19,182	19,359
- Property, plant and equipment written off		0	31,749
Operating cash flow before working capital changes		301,368	333,373
Changes in operating assets and liabilities			
- Other receivables		465	(1,239)
- Accruals		(19,952)	26,125
Net cash generated from operating activities		<u>281,881</u>	<u>358,259</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	8	0	(174,989)
Net cash used in investing activities		<u>0</u>	<u>(174,989)</u>
Net increase in cash and cash equivalents		281,881	183,270
Cash and cash equivalents at beginning of financial year		<u>477,121</u>	<u>293,851</u>
Cash and cash equivalents at end of financial year	6	<u>759,002</u>	<u>477,121</u>

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

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

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

1. General information

One Hope Centre (the "Society") is registered and domiciled in Singapore. The Society's registered office and principal place of business is at 8 New Industrial Road, #04-04B, LHK 3 Building, Singapore 536200.

The Society was registered on 07 August 2004 under the Societies Act (Chapter 311) and was registered as charity under the Charities Act, Chapter 37 on 12 November 2010. The Society has been accorded as Institutions of a Public Character ("IPC") status until 31 July 2019.

One Hope Centre is a voluntary welfare organisation, 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.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"), 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.

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

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.

2.1.1 Interpretations and amendments to published standards effective in 2017

In the current financial year, the Society has adopted all the new and revised FRSs and interpretations of FRSs ("INT FRS") that are relevant to its operations and effective on 1 January 2017. The adoption of the standard did not have any material effect on the financial statements.

2.1.2 Standards issued but not yet effective

The Society did not early adopt the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future period:

Description	Effective for annual periods beginning on or after
FRS 109 Financial instruments	1 January 2018
FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases	1 January 2019

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective (Cont'd)

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

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income 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

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 financial year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.3 Other income

Other income is recognised when received.

2.3 Expenditure recognition

All expenditure is 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.

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2.3.2 Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, 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

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 initially recognised 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.

Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Office equipment	5 years
Motor vehicle	10 years
Furniture and fittings	10 years
Renovation	10 years

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

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.

Disposal

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

Fully depreciated assets still in use are retained in the financial statements.

2.5 Impairment of non-financial assets

Non-financial assets 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.

2. Significant accounting policies (Cont'd)

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

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

2.6.2 Recognition and de-recognition

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

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

2.6.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

2.6.4 Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.6.5 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

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.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.5 Impairment (Cont'd)

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

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. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.7 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 changes in value.

2.8 Other receivables

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

2.9 Financial liabilities

Financial liabilities are recognised when the Society 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 includes "Accruals".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. 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. Significant accounting policies (Cont'd)

2.10 Accruals

Accruals are recognised at the best estimate of amount payable.

2.11 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 can be reliably estimated.

2.12 Operating leases as lessee

Finance leases which transfer to the Society substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Society will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 Employee compensation

2.13.1 Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.13.2 Employee leave entitlement

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Foreign currencies

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

3. Significant accounting policies (Cont'd)

2.15 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.16 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.17 Events after the reporting date

Post year-end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

2.18 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); or
 - (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. Significant accounting judgements and estimates

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

3.2.1 Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying amount of property, plant and equipment as at 31 December 2017 was S\$142,638 (2016: S\$161,820).

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 December 2017 and 2016.

3.2.2 Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Association to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

4. Income tax

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

5. Donations

	2017 S\$	2016 S\$
Tax deductible donations	417,744	234,170
Non-tax deductible donations	<u>56,362</u>	<u>104,008</u>
	<u>474,106</u>	<u>338,178</u>

The donations were allocated as follows:

• Donation from individuals	67,878	53,390
• Donation from churches	33,345	16,688
• Donation from organisation	21,200	107,100
• Fundraising and anniversary dinner	351,183	74,000
• President Challenge	0	87,000
• Lifeboat Fund	<u>500</u>	<u>0</u>
	<u>474,106</u>	<u>338,178</u>

6. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash on hand	20	1,182
Cash at banks	<u>758,982</u>	<u>475,939</u>
	<u>759,002</u>	<u>477,121</u>

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

7. Other receivables

	2017 S\$	2016 S\$
Deposits	7,467	7,467
Prepayments	<u>4,658</u>	<u>5,123</u>
	<u>12,125</u>	<u>12,590</u>

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

8. Property, plant and equipment

	Office equipment S\$	Motor vehicle S\$	Furniture and fittings S\$	Renovation S\$	Total S\$
Cost					
At 1 January 2016	14,480	33,258	11,136	39,344	98,218
Additions	0	0	42,728	132,261	174,989
Disposals	(8,642)	(33,258)	(7,226)	(36,343)	(85,469)
At 31 December 2016	5,838	0	46,638	135,262	187,738
Disposals	(883)	0	0	0	(883)
At 31 December 2017	4,955	0	46,638	135,262	186,855
Accumulated depreciation					
At 1 January 2016	11,073	19,956	5,646	23,604	60,279
Depreciation charge	1,168	0	4,665	13,526	19,359
Disposals	(8,489)	(19,956)	(3,469)	(21,806)	(53,720)
At 31 December 2016	3,752	0	6,842	15,324	25,918
Depreciation charge	991	0	4,663	13,528	19,182
Disposal	(883)	0	0	0	(883)
At 31 December 2017	3,860	0	11,505	28,852	44,217
Carrying amount					
31 December 2016	2,086	0	39,796	119,938	161,820
31 December 2017	1,095	0	35,133	106,410	142,638

9. Accumulated general fund

Accumulated general fund are expendable at the discretion of the Management in furtherance of the Society's objects and purposes.

10. Lifeboat fund

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

11. 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.

12. Care & share fund

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Society provided by the Government in celebration of SGD50 to build capabilities and capabilities of the social service sector.

In the current year, NCSS approved for the use of Care & share fund for certain capital and operating expenditure incurred amounting to S\$8,030 for FY14 to FY16. Management has therefore transferred such prior years' expenditure from the other funds to the Care & share fund. In addition to this, expenditure of S\$201,472 was claimed under the Critical existing needs for Care & share fund for the year ended 31 December 2017.

13. President's Challenge

Initiated by former President S R Nathan in 2000 and continued by President Tony Tan in 2012, the President's Challenge is an annual series of events to create greater awareness of the needs of the social service voluntary sector, and to mobilise the community to help the disadvantaged and less fortunate in our midst.

14. Operating lease commitments

The Society leases office premise and office equipment from non-related parties under non-cancellable operating lease agreements. These leases have varying terms, escalating clauses and renewal rights.

The future minimum rental payables under non-cancellable operating lease contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	2017 S\$	2016 S\$
Not later than one year	21,867	50,233
Later than one year but not later than five years	3,403	23,606
	<u>25,270</u>	<u>73,839</u>

15. Related party transactions and balances

There was no transaction between the Society and related party for the financial year ended 31 December 2017 and 31 December 2016.

During the current and previous year, none of the Management Committee members and key management personnel received any remuneration from the Society.

16. Employees' remuneration

None of the Society's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 December 2017 and 2016.

17. Financial instruments

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

	2017 S\$	2016 S\$
<u>Financial Assets</u>		
Loans and receivables		
Cash and cash equivalents	759,002	477,121
Other receivables (excluding prepayments)	7,467	7,467
	<u>766,469</u>	<u>484,588</u>
<u>Financial Liabilities</u>		
Accruals	<u>10,115</u>	<u>30,067</u>

18. Financial risk management

The Society is mainly exposed to currency risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Management Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

Currency risk

The Society is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollar.

Interest rate risk

The Society's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

18. Financial risk management (Cont'd)

Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Society.

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

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds. The Society exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Society maintains a level of cash and cash equivalents deemed adequate to finance the Society's operations.

The table below summarises the maturity profile of the Society's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2017			
Financial assets			
Cash and cash equivalents	759,002	0	759,002
Other receivables (excluding prepayments)	<u>7,467</u>	<u>0</u>	<u>7,467</u>
	<u>766,469</u>	<u>0</u>	<u>766,469</u>
Financial liabilities			
Accruals	<u>(10,115)</u>	<u>0</u>	<u>(10,115)</u>
Net financial assets	<u>756,354</u>	<u>0</u>	<u>756,354</u>
	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2016			
Financial assets			
Cash and cash equivalents	477,121	0	477,121
Other receivables (excluding prepayments)	<u>7,467</u>	<u>0</u>	<u>7,467</u>
	<u>484,588</u>	<u>0</u>	<u>484,588</u>
Financial liabilities			
Accruals	<u>(30,067)</u>	<u>0</u>	<u>(30,067)</u>
Net financial assets	<u>454,521</u>	<u>0</u>	<u>454,521</u>

19. Fair values

As at 31 December 2017, 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.

20. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2017 is as follows:

		2017	2016	Increase/ (decrease)
		S\$	S\$	%
A	Unrestricted Fund			
	Accumulated General Fund	326,839	57,269	470.07
B	Restricted Funds			
	Lifeboat Fund	450	750	(4.00)
	Women's Ministry Fund	1,200	1,200	0.00
	Care & Share Fund	575,161	562,245	2.30
	President's Challenge	0	0	0
C	Endowment Fund	N/A	N/A	N/A
D	Total Unrestricted and Restricted Funds	903,650	621,464	45.41
E	Total Annual Operating Expenditure	592,575	531,756	11.44
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.55	0.11	

Reference:

C. An endowment fund consists of assets, funds or properties that 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 Cost of Charitable Activities and Governance and Administration costs.

The Society's reserve policy is as follows:

The reserve of the Society provide financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

21. Management of conflict of interest

During the current and previous financial year, none of the Management Committee members received any remuneration from the Society.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee members 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.

22. Reclassification of comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassifications were made:-

	As previously reported S\$	Reclassification S\$	As reclassified S\$
2016			
Statement of Financial Activities			
Income			
Accumulated general fund	371,629	(87,000)	284,629
President's Challenge	0	87,000	87,000
Expenditure			
<u>Cost of charitable activities</u>			
Accumulated general fund	403,142	(87,000)	316,142
President's Challenge	0	87,000	87,000

23. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Management Committee on **03 MAY 2018**