

**SPACES COUNSELING AND COMMUNITY
LIMITED**

[UEN. 200402955N]

[Incorporated in the Republic of Singapore]

[A company limited by guarantee and not having a share
capital]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

CONTENTS

Directors' Report	2
Statement by Directors	3
Independent Auditors' Report	4
Statement of Financial Position	6
Statement of Financial Activities	7
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

[UEN. T10LL0955L]

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent,
Excalibur Centre, #08-01
Singapore 408571.
T: (65) 6846.8376
F: (65) 6725.8161

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the financial year ended 31 December 2014.

Directors

The directors in office at the date of this report are as follows:

Chen Lingshen
Choong Chee Hong
Toh Leh Lim

Arrangements to enable directors to acquire shares and/or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

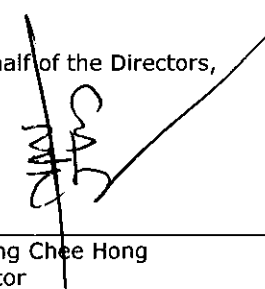
Other matters

As the company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.


Independent Auditors

The auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Directors,



Choong Chee Hong
Director



Toh Leh Lim
Director

Singapore,
14 OCT 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors,

- a) the financial statements as set out on pages 6 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2014, and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Directors authorised these financial statements for issue on **14 OCT 2015**

On behalf of the Directors,



Choong Chee Hong
Director



Toh Leh Lim
Director

Singapore,
14 OCT 2015

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent,
Excalibur Centre, #08-01
Singapore 408571.
T: (65) 6846.8376
F: (65) 6725.8161

Independent auditors' report to the members of:

SPACES COUNSELING AND COMMUNITY LIMITED
[UEN. 200402955N]
[Incorporated in the Republic of Singapore]

[A company limited by guarantee and not having a share capital]

Report on the Financial Statements

We have audited the accompanying financial statements of **Spaces Counselling and Community Limited** (the "Company") set out on pages 6 to 22, which comprise the statement of financial position as at 31 December 2014, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the financial 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 Singapore Companies Act, Cap. 50 (the "Act") 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, that 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent,
Excalibur Centre, #08-01
Singapore 408571.
T: (65) 6846.8376
F: (65) 6725.8161

(CONT'D)

Independent auditors' report to the members of:

SPACES COUNSELING AND COMMUNITY LIMITED

[UEN. 200402955N]
[Incorporated in the Republic of Singapore]


[A company limited by guarantee and not having a share capital]

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2014, and the financial performance, changes in funds and cash flows of the Company 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 Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

14 OCT 2015

Partner-in-charge: Ong Lien Wan
PAB No.: 01360

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	101,365	206,829
Other receivables	5	<u>22,169</u>	<u>107,777</u>
		<u>123,534</u>	<u>314,606</u>
Non-current assets			
Property, plant and equipment	6	5,050	5,854
		<u>128,584</u>	<u>320,460</u>
LIABILITIES			
Current liabilities			
Other payables	7	<u>24,306</u>	<u>56,799</u>
		<u>24,306</u>	<u>56,799</u>
NET ASSETS		<u>104,278</u>	<u>263,661</u>
FUNDS			
Unrestricted funds			
Accumulated general funds		<u>104,278</u>	<u>263,661</u>
Members' guarantee			
3 members of \$100 each	1	<u>300</u>	<u>300</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	2014			2013
	Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	Total funds S\$
INCOME				
Income from generating funds				
Voluntary income				
- Donations	64,345	15,237	18,742	35,854
Income from charitable activities				
Education programme grant	114,836	0	0	434,184
Counselling fee	12,620	0	0	14,080
Programme income	8,947	0	0	19,206
Sexual health campaign	0	0	0	1,980
Sales of product	0	0	0	21
Sponsorship	0	0	90,000	90,000
Ticket Sales	0	0	127,625	127,625
	136,403	0	217,625	354,028
Other income				
Rental income	1,160	0	0	1,160
Sundry income	19,719	0	0	19,719
	20,879	0	0	20,879
Total income	221,627	15,237	236,367	473,231
				506,465

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	2014				2013 Total funds S\$
	Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	Total funds S\$	
EXPENDITURE					
Cost of charitable activities					
Advertising and Publicity	1,788	0	0	1,788	24,771
Building Installation Expenses	0	0	15,920	15,920	0
Capacity building	102	0	0	102	0
Copyright Music Permit	0	0	2,933	2,933	0
Counselling expenses	3,440	0	0	3,440	7,035
CPF contribution	25,668	0	0	25,668	22,920
Depreciation expense	3,450	0	0	3,450	2,559
Director's remuneration	40,229	0	0	40,229	57,495
Director's CPF	6,437	0	0	6,437	9,201
Donation expense	0	22,785	120,064	142,849	0
Event equipment	0	0	7,723	7,723	0
Fund Raising Services	0	0	0	0	2,000
Honorarium	0	0	5,650	5,650	0
Insurance	2,120	0	3,612	5,732	772
Medical fee	381	0	0	381	534
Miscellaneous Event Cost	0	0	27,912	27,912	0
Office expenses	1,076	0	0	1,076	2,939
Postage and courier	227	0	0	227	599
Printing and stationery	0	0	0	0	1,705
Programme expenses	49,394	0	0	49,394	169,726
Rental of premise	39,080	0	19,260	58,340	31,200
Research Study	0	0	0	0	25,744
Skill development levy	462	0	0	462	400
Staff salaries, bonus and benefits	154,279	0	200	154,479	115,990
Staff training	3,194	0	0	3,194	1,000
Telecommunication	3,342	60	0	3,402	1,722
Tickets purchased	0	0	33,318	33,318	0
Training expenses	3,221	0	0	3,221	4,205
Transportation	0	0	0	0	370
Unutilized leave	1,814	0	0	1,814	4,524
Utilities	3,027	0	0	3,027	2,698
	<u>342,731</u>	<u>22,845</u>	<u>236,592</u>	<u>602,168</u>	<u>490,109</u>

Note 6

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	2014			2013 Total funds S\$
	Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	
EXPENDITURE (CONT'D)				
Governance and administrative costs				
Accounting fee	7,000	0	0	7,750
Administrative fee	0	0	0	20
Audit fee - Prior Years	(1,724)	0	0	(1,300)
- Current year	0	2,996	0	2,996
Bank charges	636	90	41	767
Entertainment and refreshment	497	0	0	497
General expenses	5,260	0	190	5,450
Repair and maintenance	14,486	0	0	14,486
Website	974	0	0	974
	<u>27,129</u>	<u>3,086</u>	<u>231</u>	<u>19,449</u>
Total expenditure	369,860	25,931	236,823	509,558
NET EXPENDITURE FOR THE YEAR	(148,233)	(10,694)	(456)	(3,093)
TOTAL FUNDS BROUGHT FORWARD	225,668	15,533	22,460	266,754
TOTAL FUNDS CARRIED FORWARD	77,435	4,839	22,004	263,661

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Unrestricted funds
	Accumulated general funds
	S\$
2014	
Balance at beginning of financial year	263,661
Net expenditure for the year	<u>(159,383)</u>
Balance at end of financial year	<u>104,278</u>
2013	
Balance at beginning of financial year	266,754
Net expenditure for the year	<u>(3,093)</u>
Balance at end of financial year	<u>263,661</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net expenditure for the year		(159,383)	(3,093)
Adjustments for:			
Depreciation	6	3,450	2,559
Operating deficit before working capital changes		<u>(155,933)</u>	<u>(534)</u>
Changes in operating assets and liabilities:			
- Other receivables		85,608	(9,505)
- Account and other payables		<u>(32,493)</u>	<u>36,821</u>
Net cash (used in) / provided by operating activities		<u>(102,818)</u>	<u>26,782</u>
Cash flows from investing activities			
Purchase of plant and equipment	6	<u>(2,646)</u>	<u>(4,607)</u>
Net cash used in investing activities		<u>(2,646)</u>	<u>(4,607)</u>
Net (decrease) / increase in cash and cash equivalents		(105,464)	22,175
Cash and cash equivalents at beginning of financial year		206,829	184,654
Cash and cash equivalents at end of financial year		<u>101,365</u>	<u>206,829</u>
Cash and cash equivalents comprise:			
Cash on hand	4	133	1,921
Cash in banks	4	<u>101,232</u>	<u>204,908</u>
		<u>101,365</u>	<u>206,829</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

1. General information

Spaces Counselling and Community Limited (the "Company") is a public company limited by guarantee, incorporated and domiciled in Singapore. The address of its registered office is 77 Robinson Road #16-00 Robinson 77 Singapore 068896 and its principal place of activities is located at 57B Pagoda Street, Singapore 059216.

The principal activities of the Company are those of counselling and community works. The Company has carried out its counselling and community work under the business name of Oogachaga (Registration No. 53035413J) and A Nation In Concert (Registration No. 53070633D).

Each member of the Company has undertaken to contribute such amounts not exceeding \$100 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 3 (2013: 3) members at the end of the financial year.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company'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.

2.1.1 Interpretations and amendments to published standards effective in 2014

The Company has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

FRS	Effective date	Title
FRS 110	1.1.2014	Consolidated financial statements, and Amendment to FRS 27 (revised 2011) Separate financial statements
FRS 111	1.1.2014	Joint arrangements, and amendment to FRS 28 (revised 2011) Investments in Associates and Joint Ventures
FRS 32	1.1.2014	Amendment to Financial instruments: Presentation (Offsetting financial assets and financial liabilities)
FRS 36	1.1.2014	Amendment to Impairment of Assets (Recoverable amount disclosures for non-financial assets)

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2014 (Cont'd)

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 39	1.1.2014	Amendment to Financial instruments: Recognition and measurement (Novation of derivatives and continuation of hedge accounting)
INT FRS 121	1.1.2014	Levies

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

2.1.2 Standards issued but not yet effective

The Company 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:

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 19	1.7.2014	Amendments – Employee benefits – defined benefit plans: Employee contributions
FRS 102	1.7.2014	Improvements 2012– Shared-based payment
FRS 103	1.7.2014	Improvements 2012– Business combinations
FRS 108	1.7.2014	Improvements 2012– Operating segments
FRS 16	1.7.2014	Improvements 2012– Property, plant and equipment
FRS 38	1.7.2014	Improvements 2012– Intangible assets
FRS 24	1.7.2014	Improvements 2012– Related party disclosures
FRS 103	1.7.2014	Improvements 2013– Business combinations
FRS 113	1.7.2014	Improvements 2013– Fair value measurement
FRS 40	1.7.2014	Improvements 2013– Investment property
FRS 114	1.1.2016	Regulatory deferral

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 Company's activities. Income is presented, net of rebates and discounts, where applicable. Income is recognised as follows:

2.2.1 Rendering of services

Income from rendering of services that are of short duration is recognised when the services are completed.

2.2.2 Donations

Donations are recognised when received.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.3 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.

2.2.4 Other income

Other income is recognised when received.

2.3 Expenditure recognition

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

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company.

2.3.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

2.4 Property, plant and equipment

2.4.1 Measurement

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

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

2.4.2 Depreciation

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

	Useful lives
Computer	1 year
Furniture and fitting	5 years
Office equipment	5 years
Renovation	3 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.

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.3 Subsequent expenditure

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

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities. Any amount in revaluation reserve relating to that asset is transferred to general funds directly.

2.5 Financial assets

2.5.1 Classification

The Company 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.

2.5.2 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 Company has transferred substantially all risks and rewards of ownership.

2.5.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortized cost using effective interest method.

2.5.4 Impairment

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

An allowance for impairment of loans and receivables including trade and other receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are 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.

2. Significant accounting policies (Cont'd)

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank. Cash and cash equivalents are carried at cost.

2.7 Other receivables

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

2.8 Financial liabilities

Financial liabilities are recognised when the Company 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 comprehensive income. Financial liabilities include "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, 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 comprehensive income.

2.9 Other payables

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

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company 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.

2.11 Operating lease

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

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

2.12 Employee benefits

2.12.1 Defined contribution plans

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

2. Significant accounting policies (Cont'd)

2.12 Employee benefits (Cont'd)

2.12.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.13 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 Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company;

- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company 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 Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (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)

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 reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Estimated useful lives of property, plant and equipment

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

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

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

3.1.2 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.

3.1.3 Allowance for impairment of receivables

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

4. Cash and cash equivalents

	2014 S\$	2013 S\$
Cash on hand	133	1,921
Cash in banks	<u>101,232</u>	<u>204,908</u>
	<u>101,365</u>	<u>206,829</u>

At the reporting date, cash and cash equivalents are denominated in Singapore Dollar and the carrying amounts approximated their fair values.

5. Other receivables

	2014 S\$	2013 S\$
Deposits	19,462	5,520
Prepayments	2,707	2,707
Grant receivables	<u>0</u>	<u>99,550</u>
	<u>22,169</u>	<u>107,777</u>

At the reporting date, other receivables are denominated in Singapore Dollar and the carrying amounts approximated their fair values.

6. Property, plant and equipment

	Balance b/f 2014 S\$	Additions S\$	(Disposals) S\$	Balance c/f 2014 S\$
2014				
At cost				
Computer	11,677	0	0	11,677
Furniture and fittings	14,421	843	0	15,264
Office equipment	4,321	1,803	0	6,124
Renovation	4,826	0	0	4,826
	35,245	2,646	0	37,891

	Balance b/f 2014 S\$	Depreciation charge S\$	(Disposals) S\$	Balance c/f 2014 S\$
2014				
Accumulated depreciation				
Computer	10,263	1,414	0	11,677
Furniture and fittings	11,244	1,043	0	12,287
Office equipment	3,058	993	0	4,051
Renovation	4,826	0	0	4,826
	29,391	3,450	0	32,841

	Balance b/f 2014 S\$	Balance c/f 2014 S\$
2014		
Net book value		
Computer	1,414	0
Furniture and fittings	3,177	2,977
Office equipment	1,263	2,073
Renovation	0	0
	5,854	5,050

	Balance b/f 2013 S\$	Additions S\$	(Disposals) S\$	Balance c/f 2013 S\$
2013				
At cost				
Computer	9,793	1,884	0	11,677
Furniture and fittings	11,768	2,653	0	14,421
Office equipment	4,251	70	0	4,321
Renovation	4,826	0	0	4,826
	30,638	4,607	0	35,245

	Balance b/f 2013 S\$	Depreciation charge S\$	(Disposals) S\$	Balance c/f 2013 S\$
2013				
Accumulated depreciation				
Computer	9,793	470	0	10,263
Furniture and fittings	10,007	1,237	0	11,244
Office equipment	2,207	851	0	3,058
Renovation	4,826	0	0	4,826
	26,833	2,558	0	29,391

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

	Balance b/f 2013 S\$	Balance c/f 2013 S\$
2013 (Cont'd)		
Net book value		
Computer	0	1,414
Furniture and fittings	1,761	3,177
Office equipment	2,044	1,263
Renovation	0	0
	3,805	5,854

7. Other payables

	2014 S\$	2013 S\$
Outside parties	0	31,255
Accrued liabilities	15,266	18,319
Provision for unutilised leave	9,040	7,225
	24,306	56,799

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

8. Income taxes

The Company as a charity registered under the Charities Act (Cap. 37) is exempted from income tax under the provisions of Section 13 of the Income Tax Act (Cap. 134).

9. Related party transactions

The directors are considered as key managements personnel, one of the directors receive the following remunerations during the financial year:

	2014 S\$	2013 S\$
Short-term employee benefits		
- Director's remuneration	40,229	57,495
Post-employment benefits		
- Employer's contribution to defined contribution plan, Director's CPF	6,437	9,201

10. Commitments

At the reporting date, the Company leases its office premise under non-cancellable operating lease agreement. The commitment in relation to the lease contracted for but not recognised as liabilities are as follows:

	2014 S\$	2013 S\$
Not later than one year	39,804	15,600
Later than one year but not later than five years	51,414	0
	91,218	15,600

11. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Board of Directors on an informal basis.

a. Interest rate risk

The Company'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.

b. Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

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

2014	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets			
Cash and cash equivalents	101,365	0	101,365
Other receivables	19,462	0	19,462
	<u>120,827</u>	<u>0</u>	<u>120,827</u>
Financial liabilities			
Account and other payables	<u>(24,306)</u>	<u>0</u>	<u>(24,306)</u>
	<u>96,521</u>	<u>0</u>	<u>96,521</u>

2013	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets			
Cash and cash equivalents	206,829	0	206,829
Other receivables	105,070	0	105,070
	<u>311,899</u>	<u>0</u>	<u>311,899</u>
Financial liabilities			
Account and other payables	<u>(56,799)</u>	<u>0</u>	<u>(56,799)</u>
	<u>255,100</u>	<u>0</u>	<u>255,100</u>

c. Credit risk

The Company has no significant concentrations of credit risk. The Company places cash in financial institutions with high ratings.

11. Financial risk management (Cont'd)

d. Capital risk

The Company manages its working capital to ensure that the Company will be able to continue as a going concern.

The Company's overall strategy remains unchanged as at 31 December 2014 and 2013.

e. Fair values

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

12. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Directors of the Company on **14 OCT 2015**