

EN COMMUNITY SERVICES SOCIETY

(Incorporated in Singapore)

UEN: T03SS0051L

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 June 2016

HMS ASSURANCE

Public Accountants and Chartered Accountants

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The Committee of Council Members submits the report and the audited financial statements of the Society for the financial year ended 30 June 2016.

Committee Of Council Members

The Committee of Council Members of the Society as at the date of this report are:

Tan Yew Keng
Soh Pik Chuan
Tan Toong Wuay
Goh Chin Chuan
Lam Tien Keong
Ong Hui Hui

Arrangement To Enable Committee Of Council Members To Acquire Shares Or Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Committee of Council Members of the Society to acquire benefits by means of the acquisition of shares or debentures of the Society or other body corporate.

Committee Of Council Members' Interest In Shares

According to the register of Committee of Council Members' shareholdings required to be kept under provisions of the Societies Act and the provisions of the Charities Act, Cap. 37, the under-mentioned persons who were Committee of Council Members of the Society at the end of the financial year had interests in the shares of the Society and its related corporation as detailed below:

| | Shareholdings Registered in the Name of the Committee of Council Members | |
|--|---|---------------------------|
| | <u>At 30.06.16</u> | <u>At 30.06.15</u> |
| | <u>Number of Shares (1)</u> | |
| <u>Held in Related Corporations (De Charis Pte Ltd):</u> | | |
| Tan Yew Keng, Lam Tien Keong, Goh Chin Chuan | 400,000 | 400,000 |

(1) Shares co-owned by 3 shareholders

Committee Of Council Members' Contractual Benefits

During the financial year, no Committee of Council Member has received or has become entitled to receive a benefit by reason of a contract made by the Society or a related corporation with the Committee of Council Members or with a firm of which the Committee of Council Member is a member, or with a corporation in which the Committee of Council Member has a substantial financial interest, other than those disclosed in the financial statements.

Options

No option to take up unissued shares of the Society was granted during the financial year. There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Society whether granted before or during the financial year. There were no unissued shares of the Society under option as at the end of the financial year.

INDEPENDENT AUDITORS

HMS ASSURANCE have expressed their willingness to accept re-appointment.

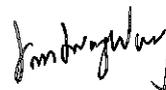
For and On behalf of the Committee of Council Members,



Tan Yew Keng
Chairman



Soh Pik Chuan
Honorary Secretary



Tan Toong Wuay
Honorary Treasurer

Singapore

13 SEP 2015

In our opinion,

- (i) the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Society as at 30 June 2016 and the results, changes in Funds and cash flows of the Society for the financial year then ended, and
- (ii) 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.

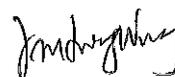
For and On behalf of the Committee of Council Members,



Tan Yew Keng
Chairman



Soh Pik Chuan
Honorary Secretary



Tan Toong Wuay
Honorary Treasurer

Singapore

13 SEP 2016



HMS ASSURANCE

Public Accountants & Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EN COMMUNITY SERVICES SOCIETY UEN: T03SS0051L

Report on the financial statements

We have audited the accompanying financial statements of **En Community Services Society ("the Society")**, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows of the Society for the financial year ended **30 June 2016**, and a summary of significant accounting policies and other explanatory notes.

The Committee of Council Members' responsibility for the financial statements

The Committee of Council Members is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, the provisions of the Charities Act, Cap. 37 and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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 Statement of Comprehensive Income and Statement of Financial Position 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Council Members, 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.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, the provisions of the Charities Act, Cap. 37 (the "Acts"), and the Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Society as at 30 June 2016, and of the results, changes in funds and cash flows of the Society for the financial year ended on that date.



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Public Accountants & Chartered Accountants

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Report on other legal and regulatory requirements

- (a) The fund-raising appeals conducted by EN COMMUNITY SERVICES SOCIETY during the year have been carried out in accordance with the Charities Act (Cap.37) and Income Tax Act (Cap.134) and proper accounting and other records have been kept of the fund-raising appeals.
- (b) The accounting and other records required by the regulations enacted under the Charities Act (Cap.37) and the Societies Act to be kept by the Society have been properly kept in accordance with these regulations.
- (c) Nothing have come to our attention to cause us to believe that:
 - i) the funds were not used in accordance with the objects of the Society; and
 - ii) the fund-raising expenses have exceeded 30% of the gross receipts from fund-raising held during the periods as stated in paragraph (a) above.

HMS ASSURANCE
HMS ASSURANCE
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

13 SEP 2013

EN COMMUNITY SERVICES SOCIETY

Statement of Financial Position
as at 30 June 2016

| | <u>Note</u> | <u>2016</u> <u>S\$</u> | <u>2015</u> <u>S\$</u> |
|----------------------------------|-------------|---------------------------|---------------------------|
| Non-Current Assets | | | |
| Plant and Equipment | 6 | 30,077 | 20,398 |
| Current Assets | | | |
| Trade and Other Receivables | 7 | 33,803 | 22,085 |
| Cash and Cash Equivalents | 8 | 806,545 | 169,035 |
| Total Current Assets | | 840,348 | 191,120 |
| Total Assets | | 870,425 | 211,518 |
| Less: Current Liabilities | | | |
| Other Payables | 9 | 58,927 | 41,314 |
| Net Assets | | 811,498 | 170,204 |
| Represented By | | | |
| General Fund | | 811,498 | 170,204 |

The annexed notes form an integral part of the audited financial statements.

EN COMMUNITY SERVICES SOCIETY

 Statement of Comprehensive Income for
 for the financial year ended 30 June 2016

| | Note | 2016 S\$ | 2015 S\$ |
|---|-------------|---------------------------|---------------------------|
| Income | | | |
| Donations | 11 | 514,037 | 188,984 |
| Fees-Study Guidance Programme | | - | 975 |
| Fund Raising Projects | 11 | 84,812 | 102,771 |
| Grants Received | | 636,610 | 315,577 |
| Miscellaneous | | 66,467 | 28,773 |
| Surplus/(Deficit) from Tri-love Student Care Centre (TLSC) | 12 | 12,470 | (36,438) |
| Total Income | | 1,314,396 | 600,642 |
| Less: Expenditure | | | |
| Accountancy fee | | 8,400 | 8,800 |
| Audit fee | | 1,800 | 1,800 |
| Bank Charges | | 685 | 633 |
| Bonus | | 10,946 | 9,363 |
| Central Provident Fund | | 23,486 | 19,289 |
| Computer Expenses | | 7,367 | - |
| Depreciation | 6 | 8,681 | 6,953 |
| Entertainment & Refreshment | | 1,169 | 91 |
| Fund Raising Projects Expenses | | 18,806 | 8,978 |
| General Expenses | | 7,725 | 3,191 |
| Insurance | | 9,435 | 2,556 |
| Medical | | 1,088 | 685 |
| Postages | | 337 | 399 |
| Printing & Stationery | | 4,117 | 2,827 |
| Professional Fees | | 1,518 | 700 |
| Programme Expenses | 14 | 343,880 | 350,316 |
| Rental of Office | | 71,690 | 70,620 |
| Rental of Equipment | | 990 | 1,794 |
| Repair & Maintenance | | 80 | 75 |
| Salaries | | 136,117 | 114,182 |
| Staff Insurance | | - | 1,727 |
| Staff Welfare | | 1,103 | 396 |
| Telephone Expenses | | 4,940 | 3,813 |
| Training | | 8,542 | 10,937 |
| Transport | | 200 | 623 |
| Total Expenses | | 673,102 | 620,748 |
| Net Surplus/(Deficit) for the year representing total comprehensive Surplus/(Deficit) for the year | | 641,294 | (20,106) |

The annexed notes form an integral part of the audited financial statements.

| | General Accumulated fund S\$ |
|--------------------------------|---|
| Balance at 1 July 2014 | 190,310 |
| Total Comprehensive Deficit | (20,106) |
| Balance at 30 June 2015 | 170,204 |
| Total Comprehensive Surplus | 641,294 |
| Balance at 30 June 2016 | <u>811,498</u> |

The annexed notes form an integral part of the audited financial statements.

EN COMMUNITY SERVICES SOCIETY

Statement of Cash Flows for the
financial year ended 30 June 2016

| | 2016 S\$ | 2015 S\$ |
|--|---------------------------|---------------------------|
| Cash Flow from Operating Activities | | |
| Total Comprehensive Income for the year | 641,294 | (20,106) |
| Adjustment for: | | |
| Depreciation of plant and equipment | 8,681 | 6,953 |
| Operating surplus/(deficit) before working capital changes | 649,975 | (13,153) |
| Changes in working capital | | |
| Trade and Other Receivables | (11,718) | 47,396 |
| Other Payables | 17,613 | (4,041) |
| Net cash generated from operating activities | 655,870 | 30,202 |
| Cash Flow from Investing Activities | | |
| Purchase of plant and equipment | (18,360) | (22,925) |
| Net cash used in investing activities | (18,360) | (22,925) |
| Net Changes in Cash and Cash Equivalents | 637,510 | 7,277 |
| Cash and Cash Equivalents at the Beginning of year | 169,035 | 161,758 |
| Cash and Cash Equivalents at the End of the year | 806,545 | 169,035 |

The annexed notes form an integral part of the audited financial statements.

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

1. General Information

The financial statements of the Society incorporated in Singapore, for the financial year ended 30 June 2016 were authorized for issue in accordance with a resolution of the Committee of Council Members on the date of this set of financial statements.

The Society is registered as a charity under the Charities Act, Cap. 37 in Singapore since 11 September 2003. The Society's status as an Institute of Public Character ("IPC") has been renewed from 1 December 2015 to 28 February 2017.

The Society is incorporated in Singapore with its registered office and principal place of operations located at 2 Kallang Avenue, #06-14 CT Hub, Singapore 339407. The principal place of operations of the TriLove Student Care is located at North View Primary School, 210 Yishun Ave 6, Singapore 768960.

The principal activities of the Society are to promote and to provide social community services, counselling activities, promote education, granting relief and aid to the poor, sick, aged and needy.

There have been no significant changes in the nature of the principal activities during the year.

2. Significant Accounting Policies**(a) Basis of Preparation**

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

The financial statements of the Society are prepared in accordance with historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires the Council to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates (Note 3).

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future years affected.

The accounting policies have been consistently applied by the Society.

2. Significant Accounting Policies – continued**(b) Functional Currency and Foreign Currency Transaction***Functional Currency*

Items included in the financial statements in the Society are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Society are presented in Singapore Dollars ("S\$"), which is the functional currency.

Foreign Currency Transaction

Transactions in foreign currencies are measured in S\$ and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at Statement of Financial Position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognized in the Statement of Comprehensive Income.

(c) Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Society will be required to settle that obligation. Provisions are measured at the Council's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. The specific recognition criteria of each revenue stream must also be met before the revenue is recognized.

Fees

Programme fees are recognised when the services are rendered.

Donations and Grants

Donations and grants are recognised as income when received.

2. Significant Accounting Policies - continued**(e) Employee Benefits***Pension Obligations*

The Society contributes to the Central Provident Fund ("CPF") a defined contribution plan regulated and managed by the Government of Singapore. The Society's contributions to CPF are charged to the Statement of Comprehensive Income in the year to which the contributions relate.

Employee Leave Entitlements

Employee entitlements to annual leave are summarized when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the Statement of Financial Position date.

(f) Cash and Cash Equivalents

The above for the cash flow statement comprises of cash and bank balances and is subject to an insignificant risk of change in value.

(g) Fund

Fund consists only of accumulated fund which is used to fund the operations of the Society.

(h) Related Party

A party is considered to be related to the Society if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Society;
 - (ii) has an interest in the Society that gives it significant influence over the Society; or
 - (iii) has joint control over the Society;
- (b) The party is an associated Society;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key Council Members of the Committee or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

Key Council Members

Key Council Members are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Office bearers are considered key council members.

(i) Financial Instruments

Financial assets and financial liabilities are generally recognized when contracted for.

2. Significant Accounting Policies - continued**(j) Financial Assets**

Financial assets include hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for sale financial assets. Financial assets are assigned to the different categories by the Council on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognized on their trade date – the date on which the Society commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognized at fair value, plus transaction costs.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. As assessment for impairment is undertaken at least at each Statement of Financial Position date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flow resulting from holding financial assets are recognized in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

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 arise when the Society provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Any change in their value is recognized in Statement of Comprehensive Income. Any reversal shall not result in a carrying amount that exceeds what the amortized cost would have been had any impairment loss not been recognized at the date of the impairment is reversed. Any reversal is recognized in the Statement of Comprehensive Income.

Receivables are provided against when there is objective evidence that the Society will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include trade and non-trade balances with third parties.

2. Significant Accounting Policies – continued**(k) Impairment of Financial Assets**

The carrying amounts of the Society's assets subject to impairment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the carrying amount of the asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Any impairment loss is charged to the profit and loss unless it reverses a previous revaluation in which case it is charged to Funds.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

A reversal of an impairment loss on a revalued asset is credited directly to Funds under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the Statement of Comprehensive Income, a reversal of that impairment loss is recognized as income in the Statement of Comprehensive Income.

2. Significant Accounting Policies – continued**(i) Financial Liabilities**

The Society's financial liabilities include other payables and accruals.

Financial liabilities are recognized when the Society becomes a party to the contractual agreements of the instrument. All interest related charges is recognized as an expense in "finance costs" in the Statement of Comprehensive Income.

Borrowings are recognized initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortized cost which is the initial fair value less any principal repayments.

Any difference between the proceeds (net of transaction costs) and the redemption value is taken to Statement of Comprehensive Income over the year of borrowings using effective interest method.

Borrowings which are due to be settled within twelve months after the Statement of Financial Position date are in current borrowings in the Statement of Financial Position even though the original terms were for a year longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the Statement of Financial Position date. Borrowings to be settled within the Society's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the Statement of Financial Position date are included in the non-current borrowings in the Statement of Financial Position. Funds instruments issued by the Society, if any, are recorded at the proceeds received, net of direct issue costs.

Trade and other payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest method.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Comprehensive Income.

2. Significant Accounting Policies – continued**(m) Plant and Equipment (“PE”)**

The cost of PE comprises its purchase price and any directly attributable costs of bringing the PE to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of PE if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to the PE that has already been recognized is added to the carrying amount of the PE when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing PE, will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the year in which it is incurred.

When PE are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the Statement of Comprehensive Income.

PE are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the PE over their estimated useful lives. The estimated useful lives are as follows:

| | <u>No. of Years</u> |
|----------------------|---------------------|
| Computer | 3-5 |
| Office Equipment | 5 |
| Air Conditioner | 5 |
| Furniture & Fittings | 5 |
| Renovation | 5 |

The residual values, if any, and useful lives of PE are reviewed and adjusted as appropriate at the each Statement of Financial Position date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of PE.

Fully depreciated PE are retained in the financial statements until they are no longer in use.

2. Significant Accounting Policies – continued

(n) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are recognized as assets of the Society at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Society's general policy on borrowing costs.

Contingent rentals are recognized as expenses in the periods in which they are incurred. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

3. Critical Accounting Estimates, Assumptions And Judgments

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions*Impairment of loans and receivables*

The Council reviews its loans and receivables for objective evidence of impairment annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, the Council has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the Council has made judgments as to whether an impairment loss should be recorded as an expense. In determining this, the Council has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

Depreciation

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Council estimates the useful lives of these plant and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the useful economic lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

Impairment of fixed assets

The Council determines whether plant and equipment are impaired at least on an annual basis. This requires an estimation of the expected future cash flows from the plant and equipment.

4. New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial years beginning on or after 1 July 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society upon initial application.

At the date of authorization of these financial statements, the following FRSs, INT FRSs and amendments to FRS, that are relevant to the Society, were issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to FRS 27: Equity Method in Separate Financial Statements | 1 Jan 2016 |
| Amendments to FRS 16 & FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 Jan 2016 |
| Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations | 1 Jan 2016 |
| Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | date to be determined |
| Improvements to FRSs (November 2014) | |
| Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations | 1 Jan 2016 |
| Amendments to FRS 107 Financial Instruments: Disclosures | 1 Jan 2016 |
| Amendments to FRS 19 Employee Benefits | 1 Jan 2016 |
| FRS 115 Revenue from Contracts with Customers | 1 Jan 2018 |
| FRS 109 Financial Instruments | 1 Jan 2018 |
| Amendments to FRS 1: Disclosure Initiative | 1 Jan 2016 |
| Amendments to FRS 110, FRS 112 & FRS 28: Investment Entities: Applying the Consolidation Exception | 1 Jan 2016 |

The Committee of Council members expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

5. New Accounting Standards and Interpretations Adopted

The Society has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations which become effective for the financial periods beginning on or after 1 July 2015. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

6. Plant and Equipment

| | Computer S\$ | Office Equipment S\$ | Air Conditioner S\$ | Furniture & Fittings S\$ | Renovation S\$ | Total S\$ |
|---------------------------------|-----------------|----------------------------|---------------------------|--------------------------------|-------------------|---------------|
| COST | | | | | | |
| Balance at 1 July 2014 | 7,905 | 555 | - | 1,535 | - | 9,995 |
| Additions | 900 | 651 | 3,424 | 16,901 | 1,049 | 22,925 |
| Balance at 30 June 2015 | 8,805 | 1,206 | 3,424 | 18,436 | 1,049 | 32,920 |
| Additions | 13,549 | 811 | 3,400 | 600 | - | 18,360 |
| Balance at 30 June 2016 | 22,354 | 2,017 | 6,824 | 19,036 | 1,049 | 51,280 |
| ACCUMULATED DEPRECIATION | | | | | | |
| Balance at 1 July 2014 | 3,479 | 555 | - | 1,535 | - | 5,569 |
| Charge for the year | 2,548 | 130 | 685 | 3,380 | 210 | 6,953 |
| Balance at 30 June 2015 | 6,027 | 685 | 685 | 4,915 | 210 | 12,522 |
| Charge for the year | 3,292 | 390 | 1,082 | 3,707 | 210 | 8,681 |
| Balance at 30 June 2016 | 9,319 | 1,075 | 1,767 | 8,622 | 420 | 21,203 |
| NBV at 30 June 2015 | 2,778 | 521 | 2,739 | 13,521 | 839 | 20,398 |
| NBV at 30 June 2016 | 13,035 | 942 | 5,057 | 10,414 | 629 | 30,077 |

7. Trade and Other Receivables

| | 2016 S\$ | 2015 S\$ |
|-------------------|---------------|---------------|
| Trade receivables | 12,168 | - |
| Prepayment | 17,344 | 11,602 |
| Deposits paid | 200 | 200 |
| Other Receivables | 4,091 | 10,283 |
| | <u>33,803</u> | <u>22,085</u> |

Trade receivables are non-interest bearing and are generally on 30 days term. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Trade receivables and other receivables are denominated in Singapore Dollars.

The Society has trade receivables amounting to \$6,400 (2015: NIL) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

| | 2016 S\$ | 2015 S\$ |
|--|--------------|-------------|
| Trade receivables past due but not impaired: | | |
| Less than 30 days | 5,000 | - |
| 30 to 60 days | 1,400 | - |
| | <u>6,400</u> | <u>-</u> |

8. Cash and Cash Equivalents

| | 2016 S\$ | 2015 S\$ |
|--------------|----------------|----------------|
| Cash in Hand | 2,596 | 2,200 |
| Cash at Bank | 803,949 | 166,835 |
| | <u>806,545</u> | <u>169,035</u> |

Cash and cash equivalents are denominated in Singapore Dollars.

9. Other Payables

| | 2016 | 2015 |
|----------------------------|---------------|---------------|
| | S\$ | S\$ |
| Deposits Received | 30,543 | 24,085 |
| Other Creditors | 330 | 411 |
| Accrued Operating Expenses | 28,054 | 16,788 |
| | <u>58,927</u> | <u>41,314</u> |

10. Income Tax

The Society has been registered as a Charity under the Charities Act since 11 September 2003 and is exempted from income tax under Section 13 (1)(zm) of the Income Tax Act Cap. 134. Accordingly, no provision for income tax has been made in the financial statements.

11. Donations and Fund Raising Projects

The Society has been approved as an Institution of a Public Character (IPC) under the Charities Act for the period from 1 June 2014 to 30 November 2015 and renewed from 1 December 2015 to 28 February 2017.

Fund raising projects and donations have been administered in accordance with the applicable requirements.

12. Surplus/(Deficit) from Tri-Love Student Care Centre (TLSC)

| | 2016 | 2015 |
|--------------------------------|----------------|-----------------|
| | S\$ | S\$ |
| Fees received | 468,888 | 348,930 |
| Less: Programme fee waiver | - | (681) |
| Donations | 250 | - |
| Miscellaneous Income | 2,495 | - |
| | <u>471,633</u> | <u>348,249</u> |
| Less: Expenses | | |
| Bonus | 14,725 | - |
| Child Development | 18,154 | 17,878 |
| Central Provident Fund | 42,237 | 39,938 |
| Computer Expenses | - | 60 |
| Food | 56,650 | 44,527 |
| Foreign Worker Levy | 1,048 | - |
| General Expenses | 2,498 | 1,639 |
| Household Supplies | 2,315 | 811 |
| Insurance | 1,454 | 1,475 |
| Maintenance of Equipment | 1,115 | 1,050 |
| Maintenance of premises | 913 | 4,885 |
| Medical Expenses | 1,284 | 960 |
| Postage | 21 | 17 |
| Printing & Stationery | 4,008 | 2,490 |
| Rental of Premises | 14,182 | 9,984 |
| Rental of Equipment | 1,143 | 1,143 |
| Salaries | 282,509 | 249,619 |
| Staff Welfare | 1,606 | 292 |
| Telecommunication | 1,133 | 1,442 |
| Training | 6,648 | 1,222 |
| Transport | 1,262 | 1,488 |
| Utilities | 4,258 | 3,767 |
| | <u>459,163</u> | <u>384,687</u> |
| Surplus/(Deficit) for the year | <u>12,470</u> | <u>(36,438)</u> |

13. Employee Benefits Expenses

| | 2016 | 2015 |
|-------------------------------------|----------------|----------------|
| | S\$ | S\$ |
| Salaries & Bonuses | 592,809 | 519,497 |
| Central Provident fund contribution | 65,508 | 83,354 |
| Staff Insurance & Welfare | 2,710 | 2,415 |
| | <u>661,027</u> | <u>605,266</u> |

14. Programme Expenses

| | 2016 | 2015 |
|-----------------------------------|----------------|----------------|
| | S\$ | S\$ |
| Volunteer Programme | 2,901 | 1,504 |
| Step Up Programme | 45,876 | 42,241 |
| Tri-Care Programme | - | 5,355 |
| School Family Education Programme | 123,215 | 159,257 |
| Study Guidance Programme | 887 | 34,417 |
| Community Project | 69,067 | 48,273 |
| Family Life Education | 74,903 | 59,269 |
| Others | 27,031 | - |
| | <u>343,880</u> | <u>350,316</u> |

15. Operating Lease Commitment

At the end of the reporting period, commitments for future minimum lease payment in respect of rental of office under non-cancellable operating lease are as follows:

| | 2016 | 2015 |
|-----------------|---------------|---------------|
| | S\$ | S\$ |
| Within one year | <u>60,000</u> | <u>64,735</u> |

The above operating lease does not contain any escalation clauses and does not provide for contingent rents.

16. Related Party Transactions

There was no compensation paid to Committee of Council Members.

During the reporting period, the following are significant transactions that took place between the Society and related parties at terms agreed between the parties:

| | 2016 | 2015 |
|---|---------------|---------------|
| | S\$ | S\$ |
| Rental expense paid by the Society to a related party | <u>71,690</u> | <u>70,620</u> |

17. Financial Instruments

(a) Fair Values

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Society does not anticipate that the carrying amounts recorded at Statement of Financial Position date would be significantly different from the values that would eventually be received or settled.

(b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting period:

| | Loans and Receivables S\$ | Liabilities at Amortized Cost S\$ | Non- Financial Assets S\$ | Total S\$ |
|-----------------------------|---------------------------------|--|------------------------------------|--------------|
| 2016 | | | | |
| Assets | | | | |
| Plant and Equipment | - | - | 30,077 | 30,077 |
| Trade and Other Receivables | 16,259 | - | 17,544 | 33,803 |
| Cash and Cash Equivalents | 806,545 | - | - | 806,545 |
| Liabilities | | | | |
| Other Payables | - | 58,927 | - | 58,927 |
| 2015 | | | | |
| Assets | | | | |
| Plant and Equipment | - | - | 20,398 | 20,398 |
| Trade and Other Receivables | 10,283 | - | 11,802 | 22,085 |
| Cash and Cash Equivalents | 169,035 | - | - | 169,035 |
| Liabilities | | | | |
| Other Payables | - | 41,314 | - | 41,314 |

18. Financial Risk Management*Credit risk*

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Society. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

As at the year ends, trade receivables overdue but not impaired are disclosed in Note 7.

Liquidity risk

Liquidity risk arises in the general funding of the Society's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate assets in a timely manner at a reasonable price. The Society manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the stakeholders.

The table below analyses the maturity profile of the Society's financial liabilities based on contractual undiscounted cash flows.

| | On Demand or within 1 year S\$ |
|----------------|---|
| 2016 | |
| Other Payables | 58,927 |
| 2015 | |
| Other Payables | 41,314 |

19. Capital Risk Management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize stakeholder value. In order to maintain or achieve an optimal capital structure, the Society may obtain funds, obtain new borrowings or sell assets to reduce borrowings.

The Society is not subject to externally imposed capital requirements. The Council monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes during the financial year.

The gearing ratio is calculated as debt divided by total capital. Debt comprises of other payables. Total capital is calculated as total funds plus debt.

| | 2016 S\$ | 2015 S\$ |
|---------------|---------------------|---------------------|
| Debt | 58,927 | 41,314 |
| Total Funds | 811,498 | 170,204 |
| Total Capital | 870,425 | 211,518 |
| Gearing Ratio | 6.77% | 19.5% |