

**KAMPUNG SENANG CHARITY
AND EDUCATION FOUNDATION**

[Unique Entity No. S99SS0044C]

[IPC No. IPC000198]

[Registered under the Registrar of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2015**

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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

STATEMENT BY MANAGEMENT COMMITTEE

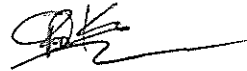
In the opinion of the Management Committee, the accompanying statement of financial position, statement of financial activities, statement of changes in funds and statement of cash flows of Kampung Senang Charity and Education Foundation ("the Society") together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Society as at 30 September 2015, and of the financial performance, changes in funds and the 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.

On behalf of the Management Committee,



Dr Kong Kian Hau
Vice-president



Foo Sai Khoon
Honorary treasurer

Singapore, 15 JAN 2016

Fiducia LLP

Public Accountants and
Chartered Accountants
Singapore

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Excalibur Centre #08-01
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T: (65) 6846.8376
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Independent auditors' report to the members of:

KAMPUNG SENANG CHARITY AND EDUCATION FOUNDATION

[Unique Entity No. S99SS0044C]
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Report on the Financial Statements

We have audited the accompanying financial statements of **Kampung Senang Charity and Education Foundation** (the "Society") set out on pages 5 to 26, which comprise the statement of financial position as at 30 September 2015, the statement of financial activities, statement of changes in funds and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charity Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fiducia LLP

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Chartered Accountants
Singapore

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(CONT'D)

Independent auditors' report to the members of:

KAMPUNG SENANG CHARITY AND EDUCATION FOUNDATION

[Unique Entity No. S99SS0044C]
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Opinion

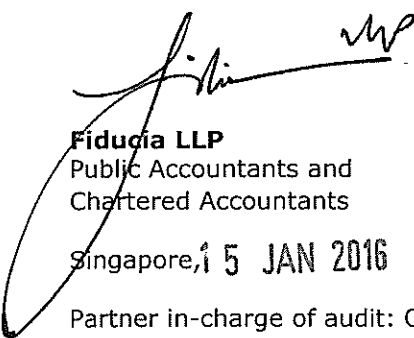
In our opinion, the financial statements of the Society are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Society as at 30 September 2015, and the financial performance, changes in funds and cash flows of the Society for the 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 Society have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15 (1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 15 JAN 2016

Partner in-charge of audit: Ong Lien Wan

PAB. No. : 01360

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	638,137	1,236,824
Trade and Other receivables	5	249,551	87,898
Held-to-maturity investments	6	0	200,000
		<u>887,688</u>	<u>1,524,722</u>
Non-current assets			
Property, plant and equipment	7	<u>629,632</u>	<u>54,458</u>
Total assets		<u>1,517,320</u>	<u>1,579,180</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	8	<u>256,896</u>	<u>253,126</u>
Total liabilities		<u>256,896</u>	<u>253,126</u>
NET ASSETS		<u>1,260,424</u>	<u>1,326,054</u>
FUNDS			
Accumulated General Fund	9	1,230,424	1,326,054
Restricted Fund -Miss Pitt Chin Hui Trust Fund	9	<u>30,000</u>	<u>0</u>
TOTAL FUNDS		<u>1,260,424</u>	<u>1,326,054</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

		Unrestricted Funds	Restricted Fund - Miss Pitt Chin Hui Trust Fund	Grand Total	Grand Total
	Note	2015 S\$	2015 S\$	2015 S\$	2014 S\$
INCOME					
Income from generating funds					
– Fund-raising activities	9.1	0	0	0	105,201
– Voluntary income	9.1	1,363,159	30,000	1,393,159	1,288,582
Income from charitable activities	9.1	349,751	0	349,751	329,427
Other income	9.1	164,330	0	164,330	115,520
		<u>1,877,240</u>	<u>30,000</u>	<u>1,907,240</u>	<u>1,838,730</u>
LESS: EXPENDITURES					
Costs of generating funds	10	104,880	0	104,880	189,835
Costs of charitable activities	10	1,265,940	0	1,265,940	1,221,981
Governance and administrative costs	10	602,050	0	602,050	391,100
		<u>1,972,870</u>	<u>0</u>	<u>1,972,870</u>	<u>1,802,916</u>
NET (LOSS)/INCOME		<u>(95,630)</u>	<u>30,000</u>	<u>(65,630)</u>	<u>35,814</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Balance at year end S\$
2015				
UNRESTRICTED FUND				
General Fund		1,326,054	(95,630)	1,230,424
RESTRICTED FUND				
Miss Pitt Chin Hui Trust Fund		0	30,000	30,000
TOTAL		<u>1,326,054</u>	<u>(65,630)</u>	<u>1,260,424</u>

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Balance at year end S\$
2014				
UNRESTRICTED FUND				
General Fund		1,290,240	35,814	1,326,054
RESTRICTED FUND				
Miss Pitt Chin Hui Trust Fund		0	0	0
TOTAL		<u>1,290,240</u>	<u>35,814</u>	<u>1,326,054</u>

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Net (loss)/income		(65,630)	35,814
Adjustments for:			
- Depreciation	7	104,906	27,947
- Interest income	9.1	<u>(24,063)</u>	<u>(1,294)</u>
Operating cash flow before working capital changes		15,213	62,467
Changes in operating assets and liabilities:			
- Trade and other receivables		(161,653)	27,557
- Accruals and other payables		<u>3,770</u>	<u>126,811</u>
Net cash (used in)/provided by operating activities		<u>(142,670)</u>	<u>216,835</u>
Cash flows from investing activities			
Interest received		24,063	1,294
Purchases of property, plant and equipment	7	(680,080)	(57,572)
Proceeds from the maturity of the held-to-maturity investments		<u>200,000</u>	<u>100,000</u>
Net cash (used in)/provided by investing activities		<u>(456,017)</u>	<u>43,722</u>
Net (decrease)/ increase in cash and cash equivalents		(598,687)	260,557
Cash and cash equivalents at beginning of financial year		<u>1,236,824</u>	<u>976,267</u>
Cash and cash equivalents at end of financial year		<u><u>638,137</u></u>	<u><u>1,236,824</u></u>
Cash and cash equivalents comprise:			
Cash on hand	4	4,300	4,200
Cash in banks	4	<u>633,837</u>	<u>1,232,624</u>
		<u><u>638,137</u></u>	<u><u>1,236,824</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

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

1. General information

Kampung Senang Charity and Education Foundation ("the Society") operates in the Republic of Singapore. The registered office of the Society is located at 88 Bright Hill Road, Singapore 574117. The principal places of activities of the Society are located at:

- a) Block 840 Tampines Street 82, #01-111, Singapore 520840;
- b) Block 254 Tampines Street 21, #01-464, Singapore 521254;
- c) Block 430C/D Fernvale Link, Singapore 793430;
- d) Block 106 Aljunied Crescent, #01-205, Singapore 380106.

The objectives of the Society are to serve people and care for mother earth in the spirit of love, compassion, commitment and belief in humanity.

The Society is registered as a society under the Societies Act [Cap. 311] on 11 February 1999 and as a charity organisation under Charities Act, Chapter 37 on 16 June 1999.

The Society has been accorded an Institution of a Public Character ("IPC") status for the period from 1 October 2013 to 30 September 2016.

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the disclosure requirements of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

Interpretations and amendments to FRS

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards issued but not yet effective

The Society has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that have been issued at the date of authorisation of these financial statements but not yet effective until future periods.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 – Disclosure Initiative	1 January 2016
Amendments to FRS 27 – Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 16 and FRS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 16 and FRS 41 – Agriculture Bearer Plants	1 January 2016
Amendments to FRS 110 and FRS 28 – Sale or Contribution of Assets Between an Investor and its Associate of Joint Venture	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 – Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 111 – Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 114 – Regulatory Deferral Accounts	1 January 2016
FRS 115 – Revenue from Contracts with Customers	1 January 2018
FRS 109 – Financial Instruments	1 January 2018

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

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Income is recognised as follows:

- 2.2.1 Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.
- 2.2.2 Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all related conditions will be complied with.
- 2.2.3 Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.
- 2.2.4 Interest income is recognised on a time-proportion basis using the effective interest method.
- 2.2.5 Other income is recognised when incurred.

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition

All expenditures 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 generating funds from fund-raising activities

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

2.3.2 Cost of charitable activities

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

2.3.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate 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.

2.4 Property, plant and equipment

2.4.1 Measurement

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

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

2.4.2 Depreciation

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

	Useful lives
General equipment	3 years
Computer and software	3 years
Furniture and fittings	3 years
Renovations	3 years
Vehicle	5 years

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

2. 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 Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenditures in the statement of financial activities during the financial year in which it is incurred.

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

2.5 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if; there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Financial assets

2.6.1 The Society classifies its financial assets in the following category: loans and receivables and held-to-maturity investments. 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 "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Society's management has the positive intention and ability to hold to maturity. If the Society were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the reporting date, which are presented as current assets.

2.6.2 Recognition and derecognition

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. On disposal sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of financial activities. Any amount in the fair value reserve relating to that asset is also taken to the statement of financial activities.

2.6.3 Initial measurement

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

2.6.4 Subsequent measurement

Loans and receivables and financial assets, held-to maturity is subsequently carried at amortised cost using the 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 reorganization, 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 and held-to-maturity investments 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 or investments.

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 statement of financial activities.

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 recognised 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 change in value.

2.8 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 include "Accruals and other payables".

Financial liabilities are derecognised when the obligations under the liability is 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 financial activities.

2.9 Accruals and other payables

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

2.10 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.11 Fair value estimation of financial assets and liabilities

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

2. Significant accounting policies (Cont'd)

2.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.13 Leases

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

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

2.14 Employee compensation

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

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

2.15 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;

2. Significant accounting policies (Cont'd)

2.15 Related parties (Cont'd)

- (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).

3. Critical accounting estimates, assumptions and judgments

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 judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated useful lives of property, plant and equipment

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

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

Allowance for impairment of receivables

The Society 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

	2015 S\$	2014 S\$
Cash on hand	4,300	4,200
Cash in banks	<u>633,837</u>	<u>1,232,624</u>
	<u>638,137</u>	<u>1,236,824</u>

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

5. Trade and other receivables

	2015 S\$	2014 S\$
Trade receivable	212,930	0
Deposits paid	10,680	17,390
Dividend receivable	0	8,337
Prepayment	20,066	5,799
Sundry receivable	<u>5,875</u>	<u>56,372</u>
	<u>249,551</u>	<u>87,898</u>

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

6. Held-to-maturity investments

	2015 S\$	2014 S\$
NTUC Life Assured	<u>0</u>	<u>200,000</u>
	<u>0</u>	<u>200,000</u>

On a meeting dated 26 May 2010, the Management Committee approved that two (2) keymen insurance policies will be taken out to insure the lives of co-founders. The insurance was issued on 26 August 2010. At the end of the contract term of 5 years, the insurer will pay the sum assured amounting to S\$210,421 with the bonus, provided that there has been no death or total and permanent disability of the insured. The 2 keymen insurance is assigned to the Society.

7. Property, plant and equipment

	General equipment S\$	Computer and software S\$	Furniture and fittings S\$	Renovations S\$	Vehicle S\$	Total S\$
2015						
Cost						
Beginning of financial year	105,464	67,047	73,743	119,402	130,206	495,862
Additions	39,708	12,623	2,655	625,094	0	680,080
Balance at end of year	<u>145,172</u>	<u>79,670</u>	<u>76,398</u>	<u>744,496</u>	<u>130,206</u>	<u>1,175,942</u>
Beginning of financial year	92,205	53,502	73,743	93,769	128,185	441,404
Depreciation charge	13,777	8,738	150	80,220	2,021	104,906
Balance at end of year	<u>105,982</u>	<u>62,240</u>	<u>73,893</u>	<u>173,989</u>	<u>130,206</u>	<u>546,310</u>
Net book value	<u>39,190</u>	<u>17,430</u>	<u>2,505</u>	<u>570,507</u>	<u>0</u>	<u>629,632</u>
2014						
Cost						
Beginning of financial year	92,503	49,251	73,743	92,587	130,206	438,290
Additions	12,961	17,796	0	26,815	0	57,572
Balance at end of year	<u>105,464</u>	<u>67,047</u>	<u>73,743</u>	<u>119,402</u>	<u>130,206</u>	<u>495,862</u>
Accumulated depreciation						
Beginning of financial year	83,125	45,987	72,435	87,671	124,239	413,457
Depreciation charge	9,080	7,515	1,308	6,098	3,946	27,947
Balance at end of year	<u>92,205</u>	<u>53,502</u>	<u>73,743</u>	<u>93,769</u>	<u>128,185</u>	<u>441,404</u>
Net book value	<u>13,259</u>	<u>13,545</u>	<u>0</u>	<u>25,633</u>	<u>2,021</u>	<u>54,458</u>

8. Accruals and other payables

	2015 S\$	2014 S\$
Accruals	25,131	20,528
Amount due to a related party	49,460	60,794
Deposits collected in advance	77,855	46,105
Other creditors	13,150	5,699
Deferred Income	91,300	120,000
	<u>256,896</u>	<u>253,126</u>

Amount due to a related party is unsecured, interest-free and repayable on demand.

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

9. Funds

Unrestricted Fund

General Fund

This is a general-purpose fund to be used for non-specific purpose at the discretion of the management committee in furtherance of the Company's objects.

Restricted Fund

Miss Pitt Chin Hui Trust Fund

This fund was set up to sponsor holistic programs for needy cancer patients to improve the quality of their living conditions. The terms of fund are from 2014 to 2018.

9.1 Income

	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Income from generating funds				
Fund-raising activities				
- Non-tax exempt donations	0	0	0	72,789
- Tax exempt donations	0	0	0	32,412
	<u>0</u>	<u>0</u>	<u>0</u>	<u>105,201</u>
Voluntary income				
- Non-tax exempt donations	519,550	0	519,550	494,035
- Tax exempt donations	431,546	30,000	461,546	613,176
<u>Grants</u>				
Student Care Subsidy-CDC	37,895	0	37,895	37,792
NCSS Telephone Subsidies	780	0	780	840
Child Care Subsidy-MCYS	120,781	0	120,781	121,683
General Grant and Subsidies				
-IRAS Wages Credit	26,065	0	26,065	8,918
-CPF Subsidy (SEC)/MOM	5,281	0	5,281	0
-General grant and subsidies CPF				
Board SEC	8,331	0	8,331	0
-Grants Receivable from MSF	39,294	0	39,294	0
-ECDA subsidy given to WCNC	173,636	0	173,636	0
Others	0	0	0	12,138
	<u>1,363,159</u>	<u>30,000</u>	<u>1,393,159</u>	<u>1,288,582</u>
Income from charitable activities				
Child care	132,259	0	132,259	143,261
Child tuition and holiday program	4,032	0	4,032	1,008
Child material and others	15,856	0	15,856	5,545
Elderly care	56,485	0	56,485	46,447
HSPC programme	8,976	0	8,976	13,536
Membership fee	24,900	0	24,900	21,430
Student care	87,385	0	87,385	83,020

9.1 Income (Cont'd)

	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Income from charitable activities (Cont'd)				
Talks and workshops	525	0	525	0
Transport income	19,333	0	19,333	15,180
	<u>349,751</u>	<u>0</u>	<u>349,751</u>	<u>329,427</u>
Other income				
Dividend income	0	0	0	2,588
Interest income	24,063	0	24,063	1,294
Other income	114,867	0	114,867	82,015
Rental income	25,400	0	25,400	29,623
	<u>164,330</u>	<u>0</u>	<u>164,330</u>	<u>115,520</u>

10. Expenditures

	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Cost of generating funds				
Advertisement	15,252	0	15,252	32,143
Bank charges	0	0	0	8,046
Cost of event and other activities	77,300	0	77,300	84,851
Mail Insertion Services	0	0	0	52,696
PR collaterals, branding and marketing	12,328	0	12,328	12,099
	<u>104,880</u>	<u>0</u>	<u>104,880</u>	<u>189,835</u>

	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Cost of charitable activities				
Donation expenditure	0	0	0	13,816
Farming costs	17,399	0	17,399	16,029
Fine & Penalty	146	0	146	0
HSPC vegetables	35,024	0	35,024	43,079
Kitchen expenditures	35,036	0	35,036	59,111
Meals and refreshments	67,026	0	67,026	68,065
Medical costs	7,663	0	7,663	9,198
Rental	92,511	0	92,511	117,250
Staff costs		0		
- CPF contribution	81,367	0	81,367	57,392
- Foreign workers levy	25,199	0	25,199	23,360
- Insurance	5,118	0	5,118	3,041

10. Expenditures (Cont'd)

	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Cost of charitable activities (Cont'd)				
- Medical	731	0	731	1,125
- Recruitment	449	0	449	333
- Salaries	681,836	0	681,836	574,028
- SDL	1,724	0	1,724	1,496
- Courses and training	1,459	0	1,459	7,472
- Welfare	36,669	0	36,669	52,934
Student costs	21,126	0	21,126	10,359
Recycling costs	29,713	0	29,713	32,602
Transport expenditures	0	0	0	29,094
Upkeep of vehicle	24,140	0	24,140	35,055
Utilities	43,592	0	43,592	43,408
Veggie Thursday costs	1,157	0	1,157	2,675
Volunteer costs	56,855	0	56,855	21,059
	1,265,940	0	1,265,940	1,221,981
	Unrestricted Fund 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Governance and administrative costs				
Audit fees	7,865	0	7,865	7,305
Bank charges	6,129	0	6,129	0
Communication	24,054	0	24,054	20,630
Computer expenditures	7,772	0	7,772	6,915
Depreciation (Please refer note 7)	104,906	0	104,906	27,947
Expendable assets	30,374	0	30,374	15,362
General expenditures	2,577	0	2,577	0
Insurance	330	0	330	3,708
Lease of equipment	15,411	0	15,411	14,724
Legal and professional fees	0	0	0	0
License and permit expenditures	528	0	528	0
Membership and subscription fees	0	0	0	0
Postages	7,656	0	7,656	9,813
Printing and stationery	52,893	0	52,893	67,135
Repair and maintenance	31,465	0	31,465	25,306
Service provider cost	140,345	0	140,345	90,670
Staff costs		0		
- CPF contribution	6,851	0	6,851	4,893

10. Expenditures (Cont'd)

	Unrestricted Funds 2015 S\$	Restricted Fund 2015 S\$	Grand Total 2015 S\$	Grand Total 2014 S\$
Governance and administrative costs (Cont'd)				
- Foreign workers levy	6,600	0	6,600	5,600
- Insurance	2,782	0	2,782	0
- Medical	552	0	552	0
- Courses and training	4,513	0	4,513	0
- Salaries	122,431	0	122,431	72,676
- SDL	431	0	431	99
- Welfare	9,088	0	9,088	0
Staff recruitment	262	0	262	0
Upkeep of vehicle	16,235	0	16,235	18,317
	<u>602,050</u>	<u>0</u>	<u>602,050</u>	<u>391,100</u>

11. Operating lease commitments

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

	2015 S\$	2014 S\$
Not later than one year	15,387	48,443
More than a year but not more than five years	<u>16,237</u>	<u>31,624</u>
	<u>31,624</u>	<u>80,067</u>

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

12. Income tax expenditure

The Society is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13 (1) of the Income Tax Act.

13. Tax deductible receipts

The Company has been accorded Institute of a Public Character ("IPC") status for the period from 01 October 2013 to 30 September 2016. Total tax deductible receipts issued for donations received during the financial year amounted to S\$480,805 (2014: S\$766,587).

14. Related party transactions

The Society has significant related party transactions with its own social enterprise project, Eco-Harmony Global Network Ltd., a company limited by guarantee as follows, on terms agreed between the parties:

	2015	2014
	S\$	S\$
Donations from a related Company	0	52,002
Miscellaneous expenses paid on behalf of a related company	123,812	0
Receipts collected on behalf of a related Company	(234,214)	(326,544)
Received of donation receivable accrued in last financial year from a related Company	(52,002)	0
Rental income charged to related party	24,000	0
Settlement of cash receipts collected on behalf to a related party	<u>121,736</u>	<u>314,825</u>

On a monthly basis, the Society pays the salary to employees of both the Society and the related party, since only the Society has the payroll GIRO facility. The related party then will reimburse the Society for its employees' salary and other benefits such as: training course fees; meals benefits; etc., paid on behalf of the related party.

The related party also uses the Society's nets and credit cards facilities for receipt of course fees on its workshops on healthy living style that care for self, others and planet earth and yearly Holistic Wellness Symposiums. The Society has full control to deduct whatever owed by the related party.

Furthermore, the Society receives donation from the related party equivalent to sixty percent (60%) of its net profit as stated on its memorandum and articles of association.

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

15. Management of conflict of interest

There is no paid staff on the Society's Management Committee.

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 member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

16. Key management personnel compensations

Key management personnel compensations for the financial year are as follows:

	2015	2014
Number of key management in remuneration bands		
S\$50,000 and below	<u>2</u>	<u>2</u>

17. Reserve policy and position

The Society's reserve position (excluding non-current assets) for financial year ended 30 September 2015 is as follows:

		2015	2014	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	1,230	1,326	(7)
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	30	0	100
C	Endowment Funds	0	0	0
D	Total Funds	1,260	1,326	(5)
E	Total Annual Operating Expenditure	1,973	1,803	(9)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.62	0.74	(12)

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenditures related to Cost of generating funds, Cost of charitable activities and Governance and administration expenditures.

The Society's Reserve Policy is as follows:

The reserve fund policy is set at 3 months of operation cost.

18. Financial Instruments

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

	2015	2014
	S\$	S\$
Financial Assets		
Cash and cash equivalents	638,137	1,236,824
Other receivables and deposits	229,485	82,099
Held-to-maturity investments	0	200,000
	867,622	1,518,923
Financial Liabilities		
Accruals other payables	165,596	133,126

19. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis.

Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Society's operations and to mitigate the effects of fluctuations in short-term cash flows.

Credit risk

The Society is exposed to credit risk in the event that counterparties fail to perform their obligations, resulting in a financial loss to the Society. The Society has no major concentration of credit risk.

The carrying amount of financial assets recorded in the financial statements represents the Society's maximum exposure to credit risk.

Other risks

The Society is not exposed to interest rate risk, as it does not have interest bearing assets or liabilities.

It has no foreign currency risk as it transacts solely in Singapore dollars.

Fair values

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. Comparative figures

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

As a result, certain line items have been amended to conform to the current year's presentation.

2014	As previously reported S\$	Reclassification S\$	As restated S\$
Statement of financial activities			
Income From generating funds			
<u>Unrestricted fund</u>			
Voluntary income			
-Tax exempt Donations	30,000	(30,000)	0
<u>Restricted Fund - Miss Pitt Chin Hui fund</u>			
Voluntary income			
-Tax exempt Donations	0	30,000	30,000
	30,000	0	30,000

20. Comparative figures (Cont'd)

Statement of financial activities	As previously reported S\$	Reclassification S\$	As restated S\$
<u>Unrestricted fund</u>			
Cost of generating funds			
Cost of event and other activities	21,000	(21,000)	0
Cost of charitable activities			
HSPC vegetables	9,000	(9,000)	0
<u>Restricted Fund - Miss Pitt Chin Hui fund</u>			
Cost of generating funds			
Cost of event and other activities	0	21,000	21,000
Cost of charitable activities			
HSPC vegetables	0	9,000	9,000
	<u>30,000</u>	<u>0</u>	<u>30,000</u>

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 15 JAN 2016