

**SPACES COUNSELING AND  
COMMUNITY LIMITED**

[UEN. 200402955N]

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

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

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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  
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**DIRECTORS' STATEMENT**

The directors present their statement together with the audited financial statements for the financial year ended 31 December 2016.

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016, and 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.

**Directors**

The directors in office at the date of this statement 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.

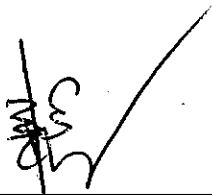
**Other matters**

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

**Independent auditors**

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

On behalf of the directors,



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Choong Chee Hong  
Director



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Toh Leh Lim  
Director

Singapore,  
08 JUN 2017

## Fiducia LLP

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Independent auditor's report to the members of:

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### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Spaces Counseling and Community Limited (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016, and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

#### *Basis for Opinion*

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

#### *Other Information*

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

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### *Responsibilities of Management and Directors 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 Companies Act, the Charities Act and Regulations and FRSs, 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.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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(CONT'D)

Independent auditor's report to the members of:

### **SPACES COUNSELING AND COMMUNITY LIMITED**

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#### *Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

#### **Report on Other Legal and Regulatory Requirements**

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



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants  
Singapore,

**08 JUN 2017**

Partner-in-charge: Lee Choon Keat  
PAB No.: 01721

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Note	2016 S\$	2015 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	216,803	197,312
Other receivables	5	<u>14,049</u>	<u>11,821</u>
		<u>230,852</u>	<u>209,133</u>
<b>Non-current asset</b>			
Property, plant and equipment	6	<u>4,568</u>	<u>3,372</u>
<b>Total assets</b>		<u>235,420</u>	<u>212,505</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	7	<u>20,137</u>	<u>14,492</u>
<b>Total liabilities</b>		<u>20,137</u>	<u>14,492</u>
<b>NET ASSETS</b>		<u>215,283</u>	<u>198,013</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Accumulated general funds	8		
- Oogachaga (OC)		202,379	179,049
- Spaces Counselling (SPACES)		(4,241)	(2,046)
- A Nation In Concert (ANIC)		18,000	21,325
- Sometimes Light		<u>(855)</u>	<u>(315)</u>
		<u>215,283</u>	<u>198,013</u>

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



STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	2016				Total funds S\$	2015 Accumulated general funds Total funds S\$
		Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	Accumulated general funds A Nation In Concert (ANIC) S\$	Sometimes Light S\$		
<b>EXPENDITURE</b>							
<b>Cost of charitable activities</b>							
Advertising and publicity		3,038	0	0	0	3,038	
Counselling expenses		5,453	0	0	0	5,453	
CPF contribution		23,390	0	0	0	23,390	
Depreciation expense	6	1,254	0	0	0	1,254	
Director's remuneration		0	0	0	0	0	
Director's CPF		0	0	0	0	0	
Insurance		835	0	0	0	835	
Medical fee		1,229	0	0	0	1,229	
Office expenses		1,656	0	0	0	1,656	
Postage and courier		46	0	0	0	46	
Programme expenses		4,034	0	0	0	4,034	
Rental of premise		37,200	0	0	0	37,200	
Skill development levy		320	0	0	0	320	
Staff salaries, bonus and benefits		137,587	0	0	0	137,587	
Staff training		150	0	0	0	150	
Telecommunication		2,582	0	0	0	2,582	
Tickets purchased		0	0	0	0	0	
Training expenses		17,227	0	0	0	17,227	
Unutilised leave		241	0	0	0	241	
Utilities		1,957	0	0	0	1,957	
		<u>238,199</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>238,199</u>	
						<u>241,848</u>	



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

	2016 Accumulated general funds				2015 Accumulated general funds S\$
	Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	Sometimes Light S\$	
<b>EXPENDITURE (CONT'D)</b>					
<b>Governance and administrative costs</b>					
Accounting fee	6,398	0	0	0	7,838
Audit fee – Current	2,996	0	0	0	2,996
– Prior	0	0	0	0	(342)
Bank charges	470	125	90	510	1,195
Entertainment and refreshment	5,451	0	0	0	5,451
Filing and registration fees	0	1,980	3,115	0	5,095
General expenses	1,870	0	0	30	1,900
Repair and maintenance	455	0	0	0	455
Website	1,166	90	120	0	1,376
	<u>18,806</u>	<u>2,195</u>	<u>3,325</u>	<u>540</u>	<u>14,958</u>
<b>Total expenditure</b>	<u>257,005</u>	<u>2,195</u>	<u>3,325</u>	<u>540</u>	<u>263,065</u>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	23,330	(2,195)	(3,325)	(540)	17,270
<b>TOTAL FUNDS BROUGHT FORWARD</b>	179,049	(2,046)	21,325	(315)	198,013
<b>TRANSFER BETWEEN FUNDS</b>	0	0	0	0	0
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>202,379</u>	<u>(4,241)</u>	<u>18,000</u>	<u>(855)</u>	<u>198,013</u>

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

**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Unrestricted funds
	<u>Accumulated general funds</u>
	S\$
<b>2016</b>	
<b>Balance at beginning of financial year</b>	198,013
Net income for the year	<u>17,270</u>
<b>Balance at end of financial year</b>	<u><u>215,283</u></u>
<b>2015</b>	
<b>Balance at beginning of financial year</b>	104,278
Net income for the year	<u>93,735</u>
<b>Balance at end of financial year</b>	<u><u>198,013</u></u>

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

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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	2016 S\$	2015 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		17,270	93,735
Adjustment for:			
Depreciation of property, plant and equipment	6	<u>1,254</u>	<u>1,678</u>
Operating cash flow before working capital changes		18,524	95,413
Changes in operating assets and liabilities:			
- Other receivables		(2,228)	10,348
- Other payables		<u>5,645</u>	<u>(9,814)</u>
<b>Net cash provided by operating activities</b>		<u>21,941</u>	<u>95,947</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	6	<u>(2,450)</u>	<u>0</u>
<b>Net cash used in investing activities</b>		<u>(2,450)</u>	<u>0</u>
<b>Net increase in cash and cash equivalents</b>		19,491	95,947
<b>Cash and cash equivalents at beginning of financial year</b>		<u>197,312</u>	<u>101,365</u>
<b>Cash and cash equivalents at end of financial year</b>	4	<u>216,803</u>	<u>197,312</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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 (UEN. 53035413J), A Nation In Concert (UEN. 53070633D) and Sometimes Light (UEN. 53279700X).

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 (2015: 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 ("FRSs") and the disclosure requirements of Charities Act (Chapter 37). 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 FRSs 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 2016**

The Company has adopted the new or revised FRSs and Interpretations to FRSs ("INT FRSs") 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 FRSs.

<b>FRS</b>	<b>Effective date</b>	<b>Title</b>
FRS 1	1.1.2016	Presentation of financial statements (Disclosure initiative)

**2. Significant accounting policies (Cont'd)**

**2.1 Basis of preparation (Cont'd)**

2.1.1 Interpretations and amendments to published standards effective in 2016 (Cont'd)

The adoption of these new or amended FRSs and INT FRSs 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 FRSs, INT FRSs and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future period:

<b>FRS</b>	<b>Effective date</b>	<b>Title</b>
FRS 109	1.1.2018	Financial instruments
FRS 115	1.1.2018	FRS 115 Revenue from contract with customers
FRS 116	1.1.2019	Leases

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 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.

2.2.2 Donations

Donations are recognised when received.

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.

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**2. Significant accounting policies (Cont'd)**

**2.3 Expenditure recognition**

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

**2.3.1 Cost of charitable activities**

Cost of charitable activities comprises all 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

Fully depreciation assets are retained in the financial statements until they are no longer in use.

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 amortised cost using effective interest method.

**2. Significant accounting policies (Cont'd)**

**2.5 Financial assets**

**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 recognises 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.

**2.6 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 financial activities.

**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. Significant accounting policies (Cont'd)**

### **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.

#### **2.12.2 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;

## **2. Significant accounting policies (Cont'd)**

### **2.13 Related parties (Cont'd)**

- (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)
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## **3. Critical accounting estimates, assumptions and judgements**

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

### **3.1 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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)**

**3.2 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.

**3.2.1 Impairment of property, plant and equipment**

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

**4. Cash and cash equivalents**

	2016 S\$	2015 S\$
Cash on hand	152	152
Cash in banks	216,651	197,160
	<u>216,803</u>	<u>197,312</u>

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

**5. Other receivables**

	2016 S\$	2015 S\$
Deposits	10,950	10,950
Prepayments	3,099	871
	<u>14,049</u>	<u>11,821</u>

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

**6. Property, plant and equipment**

<b>2016</b>	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
<b>At cost</b>				
Computer	11,677	0	0	11,677
Furniture and fittings	15,264	0	0	15,264
Office equipment	6,124	2,450	0	8,574
Renovation	4,826	0	0	4,826
	<u>37,891</u>	<u>2,450</u>	<u>0</u>	<u>40,341</u>
	Balance b/f S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$
<b>Accumulated depreciation</b>				
Computer	11,677	0	0	11,677
Furniture and fittings	13,166	879	0	14,045
Office equipment	4,850	375	0	5,225
Renovation	4,826	0	0	4,826
	<u>34,519</u>	<u>1,254</u>	<u>0</u>	<u>35,773</u>
	Balance b/f S\$			Balance c/f S\$
<b>Net book value</b>				
Computer	0			0
Furniture and fittings	2,098			1,219
Office equipment	1,274			3,349
Renovation	0			0
	<u>3,372</u>			<u>4,568</u>

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

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
<b>2015</b>				
<b>At cost</b>				
Computer	11,677	0	0	11,677
Furniture and fittings	15,264	0	0	15,264
Office equipment	6,124	0	0	6,124
Renovation	4,826	0	0	4,826
	<u>37,891</u>	<u>0</u>	<u>0</u>	<u>37,891</u>
	Balance b/f S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$
<b>Accumulated depreciation</b>				
Computer	11,677	0	0	11,677
Furniture and fittings	12,287	879	0	13,166
Office equipment	4,051	799	0	4,850
Renovation	4,826	0	0	4,826
	<u>32,841</u>	<u>1,678</u>	<u>0</u>	<u>34,519</u>
	Balance b/f S\$			Balance c/f S\$
<b>Net book value</b>				
Computer	0			0
Furniture and fittings	2,977			2,098
Office equipment	2,073			1,274
Renovation	0			0
	<u>5,050</u>			<u>3,372</u>

**7. Other payables**

	2016 S\$	2015 S\$
Accruals	15,930	10,526
Provision for unutilised leave	4,207	3,966
	<u>20,137</u>	<u>14,492</u>

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

**8. Accumulated general funds**

The accumulated general funds represent the accumulated income of the Company. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Company.

**8.1 Oogachaga (OC)**

This is for the counselling and support related to sexuality issues for lesbian, gay, bisexual, transgender and questioning communities as well as those who seek understanding on sexuality and sexual health issues.

**8.2 A Nation In Concert (ANIC)**

This is an all inclusive platform for all people to showcase their talents and abilities, embrace diversity, celebrate lives and foster the spirit of sharing and giving.

**9. 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).

**10. Related party transactions**

The directors are considered as key management personnel and one of them received the following remunerations during the financial year:

	2016 S\$	2015 S\$
Short-term employee benefits		
- Salaries	0	20,292
Post-employment benefits		
- Employer's contributions to CPF	0	3,400
	0	23,692

**11. Commitments**

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:

	2016 S\$	2015 S\$
Not later than one year	38,050	37,200
Later than one year but not later than five years	92,800	10,850
	130,850	48,050

**12. 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.

**12.1 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.

**12.2 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:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2016</b>			
<b>Financial assets</b>			
Cash and cash equivalents	216,803	0	216,803
Other receivables	10,950	0	10,950
	<u>227,753</u>	<u>0</u>	<u>227,753</u>
<b>Financial liabilities</b>			
Other payables	(20,137)	0	(20,137)
	<u>207,616</u>	<u>0</u>	<u>207,616</u>
	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2015</b>			
<b>Financial assets</b>			
Cash and cash equivalents	197,312	0	197,312
Other receivables	10,950	0	10,950
	<u>208,262</u>	<u>0</u>	<u>208,262</u>
<b>Financial liabilities</b>			
Other payables	(14,492)	0	(14,492)
	<u>193,770</u>	<u>0</u>	<u>193,770</u>

**12. Financial risk management (Cont'd)**

**11.1 Credit risk**

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

**11.2 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.

**13. Capital management**

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 2016.

**14. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Directors of the Company on **08 JUN 2017**