

**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 FINANCIAL YEAR ENDED
31 DECEMBER 2018**

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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 to the members together with the audited financial statements of Spaces Counseling and Community Limited (the "Company") for the financial year ended 31 December 2018.

In the opinion of the directors,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company 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 debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

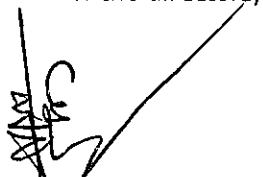
Other matters

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

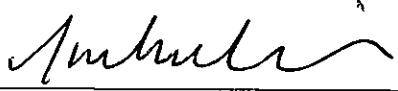
Independent auditors

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

On behalf of the directors,



Choong Chee Hong
Director



Toh Leh Lim
Director

Singapore,
24 JUN 2019

Fiducia LLP

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Chartered Accountants of Singapore

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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 financial statements of Spaces Counseling and Community Limited (the "Company"), which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities, statement of changes in funds and statement of cash flows for the 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 2018 and of the financial performance, changes in the funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *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, 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 Those Charged with Governance 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.

Those charged with governance comprises the directors. Their 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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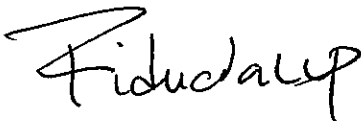
Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the 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,

24 JUN 2019

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018				2017 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\$	
REVENUE					
Income from generating funds					
Voluntary income					
- Donations	85,142	0	0	5,000	174,291
Income from charitable activities					
Education programme grants	71,675	0	0	0	159,861
Room rental fee income	5,010	0	0	0	5,685
Sponsorship	0	0	0	0	4,588
At a point in time					
Counselling fees	28,390	0	0	0	31,415
Programme income	13,291	0	0	0	74,487
	118,366	0	0	0	276,036
Other income					
Sundry income	559	0	0	0	2,475
Total revenue	204,067	0	0	5,000	452,802

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONT'D)

	Note	2018				2017	
		Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	Sometimes Light S\$	Total funds S\$	Accumulated general funds Total funds S\$
EXPENDITURES							
Cost of charitable activities							
Advertising and publicity		290	0	0	0	290	2,511
Bonus		11,130	0	0	0	11,130	
Counselling expenses		2,837	0	0	0	2,837	2,958
CPF contribution		24,796	0	0	0	24,796	23,003
Depreciation expense	6	1,427	0	0	0	1,427	1,694
Insurance		600	0	0	0	600	50
Medical fee		120	0	0	0	120	380
Office expenses		1,499	0	0	0	1,499	934
Postage and courier		81	0	0	0	81	68
Programme expenses		19,459	0	0	0	19,459	50,414
Rental of premise		40,200	0	0	0	40,200	38,100
Skill development levy		325	0	0	0	325	307
Staff salaries, bonus and benefits		134,681	0	0	0	134,681	135,284
Staff training		637	0	0	0	637	974
Telecommunication		2,603	0	0	0	2,603	2,520
Training expenses		520	0	0	0	520	0
Utilities		3,471	0	0	0	3,471	1,819
		<u>244,676</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>244,676</u>	<u>261,016</u>

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONT'D)

	2018				2017
	Accumulated general funds				Accumulated
	Oogachaga (OC) S\$	Spaces Counselling (SPACES) S\$	A Nation In Concert (ANIC) S\$	Sometimes Light S\$	general funds
					Total funds S\$
EXPENDITURES (CONT'D)					
Governance and administrative costs					
Accounting fee	6,863	192	0	0	6,869
Audit fee	3,424	0	0	0	2,996
Bank charges	109	138	90	510	1,020
Entertainment and refreshment	0	0	0	0	0
Filing and registration fees	0	0	0	0	0
General expenses	1,570	0	87	90	2,586
Repair and maintenance	1,040	0	0	0	837
Website	5,216	90	90	0	557
	<u>18,222</u>	<u>420</u>	<u>267</u>	<u>600</u>	<u>14,865</u>
Total expenditure	<u>262,898</u>	<u>420</u>	<u>267</u>	<u>600</u>	<u>275,881</u>
NET INCOME/(EXPENDITURE)	<u>(58,831)</u>	<u>(420)</u>	<u>(267)</u>	<u>4,400</u>	<u>176,921</u>
TOTAL FUNDS BROUGHT FORWARD	<u>380,384</u>	<u>(4,635)</u>	<u>17,820</u>	<u>(1,365)</u>	<u>215,283</u>
TOTAL FUNDS CARRIED FORWARD	<u>321,553</u>	<u>(5,055)</u>	<u>17,553</u>	<u>3,035</u>	<u>392,204</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	339,361	387,882
Other receivables	5	<u>14,748</u>	<u>21,592</u>
		354,109	409,474
Non-current asset			
Plant and equipment	6	<u>1,706</u>	<u>3,133</u>
Total assets		<u>355,815</u>	<u>412,607</u>
LIABILITY			
Current liability			
Other payables	7	<u>18,729</u>	<u>20,403</u>
Total liability		<u>18,729</u>	<u>20,403</u>
NET ASSETS		<u>337,086</u>	<u>392,204</u>
FUNDS			
Unrestricted funds			
Accumulated general funds	8		
- Oogachaga (OC)		321,553	380,384
- Spaces Counselling (SPACES)		(5,055)	(4,635)
- A Nation In Concert (ANIC)		17,553	17,820
- Sometimes Light		<u>3,035</u>	<u>(1,365)</u>
TOTAL FUNDS		<u>337,086</u>	<u>392,204</u>

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 S\$	2017 S\$
Unrestricted funds – Accumulated funds		
Balance at beginning of financial year	392,204	215,283
Net (expenditure)/ income for the financial year	<u>(55,118)</u>	<u>176,921</u>
Balance at end of financial year	<u>337,086</u>	<u>392,204</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net (expenditure)/ income for the financial year		(55,118)	176,921
Adjustment for:			
Depreciation	6	<u>1,427</u>	<u>1,694</u>
Operating cash flow before changes in working capital		(53,691)	178,615
Changes in working capital:			
- Other receivables		6,844	(7,543)
- Other payables		<u>(1,674)</u>	<u>266</u>
Net cash (used in)/generated from operating activities		<u>(48,521)</u>	<u>171,338</u>
Cash flows from investing activity			
Purchases of plant and equipment	6	<u>0</u>	<u>(259)</u>
Net cash used in investing activity		<u>0</u>	<u>(259)</u>
Net (decrease)/increase in cash and cash equivalents		(48,521)	171,079
Cash and cash equivalents at beginning of financial year		<u>387,882</u>	<u>216,803</u>
Cash and cash equivalents at end of financial year	4	<u><u>339,361</u></u>	<u><u>387,882</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

1. General information

Spaces Counseling 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 (2017: 3) members at the end of the financial year.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("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.

The 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 estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2018

On 1 January 2018, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRS.

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Standards issued but not yet effective

The following are the new or amended Standards and Interpretations issued that are not yet effective.

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 109	1.1.2019	Amendments to FRS 109: Prepayment Features with Negative Compensation
FRS 116	1.1.2019	Leases

Except for FRS 116, the directors expect that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of low value assets and short-term leases which do not contain any purchase options. The Company 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.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard to result in an increase in total assets, total liabilities, and earnings before interest, taxes and depreciation (EBITD).

2.2 Income recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018:

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Revenue from counselling fees and programme income

Income from services is recognised when the services have been performed and rendered. (i.e. at a point in time).

2.2.2 Room rental fee income

Room rental fee income arising from leases on office premises is accounted for on a straight-line basis over the lease terms.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.3 Donations

Donations are recognised when received. (i.e. at a point in time).

2.2.4 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.

2.2.5 Other income

Other income is recognised when received.

2.3 Expenses 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 Employee Benefits

2.4.1 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.

2.4.2 Employee leaves 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. Significant accounting policies (Cont'd)

2.5 Operating Lease

As lessee

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.

As lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases.

Rental income arising from operating leases on the Company's office premises is accounted for on a straight-line basis over the lease terms.

2.6 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(zm) of the Income Tax Act (Cap. 134).

2.7 Financial assets

2.7.1 The accounting for financial assets before 1 January 2018 under FRS 39 are as follows:

Cash and cash equivalents and other receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

2.7.2 The accounting for financial assets from 1 January 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement category:

- Amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.2 The accounting for financial assets from 1 January 2018 under FRS 109 are as follows: (Cont'd)

(i) Initial recognition

The Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

(ii) Subsequent measurement

Debt instruments

Debt instruments of the Company mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to insignificant risk of changes in value.

2.9 Plant and equipment

2.9.1 Measurement

All 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 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. Significant accounting policies (Cont'd)

2.9 Plant and equipment (Cont'd)

2.9.2 Depreciation

Depreciation on 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 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.

2.9.3 Subsequent expenditure

Subsequent expenditure relating to 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.

2.9.4 Disposal

On disposal of an item of 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.

2.10 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost of disposal 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 comprehensive income.

2. Significant accounting policies (Cont'd)

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

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 comprehensive income.

2.11 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

2.12 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.

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. There are no 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.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

4. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	0	152
Cash in banks	339,361	387,730
	339,361	387,882

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

5. Other receivables

	2018 S\$	2017 S\$
Deposits	10,380	11,850
Prepayments	4,368	9,742
	14,748	21,592

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

6. Plant and equipment

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
2018				
At cost				
Computer	11,936	0	0	11,936
Furniture and fittings	15,264	0	0	15,264
Office equipment	8,574	0	0	8,574
Renovation	4,826	0	0	4,826
	40,600	0	0	40,600
	37,467	1,427	0	38,894
Accumulated depreciation				
Computer	11,807	129	0	11,936
Furniture and fittings	14,744	434	0	15,178
Office equipment	6,090	864	0	6,954
Renovation	4,826	0	0	4,826
	37,467	1,427	0	38,894
	3,133			1,706
Carrying Amount				
Computer	129			0
Furniture and fittings	520			86
Office equipment	2,484			1,620
Renovation	0			0
	3,133			1,706

6. Plant and equipment (Cont'd)

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
2017				
At cost				
Computer	11,677	259	0	11,936
Furniture and fittings	15,264	0	0	15,264
Office equipment	8,574	0	0	8,574
Renovation	4,826	0	0	4,826
	40,341	259	0	40,600
	Balance b/f S\$	Depreciation S\$	(Written back/off) S\$	Balance c/f S\$
Accumulated depreciation				
Computer	11,677	130	0	11,807
Furniture and fittings	14,045	699	0	14,744
Office equipment	5,225	865	0	6,090
Renovation	4,826	0	0	4,826
	35,773	1,694	0	37,467
2017	Balance b/f S\$			Balance c/f S\$
Carrying Amount				
Computer	0			129
Furniture and fittings	1,219			520
Office equipment	3,349			2,484
Renovation	0			0
	4,568			3,133

7. Other payables

	2018 S\$	2017 S\$
Accruals	14,522	16,196
Provision for unutilised leave	4,207	4,207
	18,729	20,403

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. Accumulated general funds (Cont'd)

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.

8.3 Sometimes Light

Their focus is on providing corporate training services and motivational course as well as leadership development and training programs.

9. Operating lease 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:

	2018 S\$	2017 S\$
Not later than one year	40,800	40,100
Later than one year but not later than five years	<u>11,900</u>	<u>52,700</u>
	<u>52,700</u>	<u>92,800</u>

10. Financial risk management

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

10.1 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.

10.2 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 liability at the end of the reporting date based on the contractual undiscounted repayment obligations:

10. Financial risk management (Cont'd)

10.2 Liquidity risk (Cont'd)

2018	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets measured at amortised cost			
Cash and cash equivalents	339,361	0	339,361
Other receivables (excluding prepayments)	10,380	0	10,380
	<u>349,741</u>	<u>0</u>	<u>349,741</u>
Financial liability measured at amortised cost			
Accruals	<u>(14,522)</u>	<u>0</u>	<u>(14,522)</u>
	<u>335,219</u>	<u>0</u>	<u>335,219</u>
2017	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
Financial assets			
Cash and cash equivalents	387,882	0	387,882
Other receivables (excluding prepayments)	11,850	0	11,850
Loan and receivables	<u>399,732</u>	<u>0</u>	<u>399,732</u>
Financial liability measured at amortised cost			
Accruals	<u>(16,196)</u>	<u>0</u>	<u>(16,196)</u>
	<u>383,536</u>	<u>0</u>	<u>383,536</u>

10.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Company.

Risk management

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with a counterparty with high ratings.

For other parties, the Company manages its credit risk by ensuring that the counterparty has sufficient financial assets and other committed credit lines to settle its financial and contractual obligations to the Company, as when they fall due.

The Company has no significant concentration of credit risk.

10. Financial risk management (Cont'd)

10.3 Credit risk (Cont'd)

Impairment of financial assets

The Company does not expect to incur material credit losses on their risk management of financial assets

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company.

There are no credit loss allowance for financial asset at amortised cost as at 31 December 2018 and 2017.

10.4 Fair values

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

10.5 Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial assets and financial liabilities at amortised cost are as follows:

	S\$
2018	
Financial assets, at amortised cost	349,741
Financial liabilities, at amortised cost	<u>14,522</u>
	S\$
2017	
Loans and receivables	399,732
Financial liabilities, at amortised cost	<u>16,196</u>

11. Fund management

The primary objective of the Company is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

12. Management of conflict of interest policy

During the financial year, none of the directors received any remuneration from the Company.

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

13. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Directors of the Company on **24 JUN 2019**