

Tan Mok Koon Charity Fund Limited Annual Report FY-2018

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Attachment: Tan Mok Koon Charity Fund Limited audited annual financial statement
- 31 December 2018

1. Background

The Tan Mok Koon Charity Fund Limited (TMK Charity Fund) is established by Mr. Tan Mok Koon (Mr. Tan) in 2015. It aims to provide donations to charitable causes for the advancement of education and relief of poverty.

The TMK Charity Fund has been registered as a charity under the Charity Act in Singapore and as an approved Qualifying Grantmaker Philanthropic organization. The Fund does not fundraise from the public. Instead, funding will be wholly undertaken by Mr. Tan (in personal capacity and/or through his business enterprise) and his family members.

Mr. Tan came from humble beginnings. Through the sacrifices of his elder siblings and the education bursaries he received, Mr. Tan eventually graduated from the National University of Singapore. He attributes his success to the support and mentorship he received from many selfless individuals he met while building his career. In this regard, he is filled with gratitude towards his benefactors and our society which gave him opportunities in life. Furthermore the challenges he encountered in his younger years motivated him to reach out to the less fortunate who face similar predicaments. For these reasons, he felt compelled to give back to our society in the same manner.

In 2016, the TMK Charity Fund supported the National University of Singapore Undergraduate Student Aid and established the Tan Mok Koon Bursary (Endowed Fund). The Bursary will cover the selected needy recipients for their undergraduate studies in the Faculty of Chemical Engineering, Computer Science and Psychology.

Through the TMK Charity Fund, Mr. Tan hopes to formalize the process of giving in a structured approach. It is also his wish that such philanthropic values be passed on to his children and descendants and for them to continue the charitable legacy beyond his lifetime.

2. Vision & Mission

Vision

We want to support a society where every individual regardless of age, gender, race, and religion can have access to equal opportunities to fulfil their fullest potential without being constrained by the lack of financial resources.

Mission

We want to provide meaningful and sustainable financial support and assistance for the underprivileged in our society by granting them access to the resources they need to overcome their life obstacles and have a proper education.

By helping the underprivileged to fulfil their potential, the recipients in turn will be inspired to pass on the good values and contribute in a similar manner to the rest of our society.

3. Chairman's Message

In this financial year, the TMK Charity Fund received \$200,000 donation from Mr. Tan and his family member. During the same period the TMK Charity Fund donated another \$200,000 to the Bursary (Endowed Fund). Couple with the previous donation in 2016 and together with our government's matching contribution, the Bursary has a total Capital of \$900,000.

The Bursary has aided 10 students over the course of the period 2018-2019. With this additional donation and our government's matching contribution, we hope that more students will benefit going forward.

We believe that these bursaries provide students from financially disadvantaged families the chance to fulfil their academic potential and improve their financial standing as well as that of their families.

We are committed to support a society where every individual regardless of age, gender, race, and religion can have access to equal opportunities to fulfil their fullest potential without being constrained by the lack of financial resources

Thank You!



Mr. Tan Mok Koon
Chairman

4. Statutory Information

Tan Mok Koon Charity Fund Limited:

UEN:2015534719N

Incorporate as a company limited by Guarantee on 15 September 2015

Registered as Charity since 24 Nov 2015

Registered as Grantmakers since 28 Dec 2015

Registered office:

3 Phillip Street #10-03

Royal Group Building

Singapore 048693

Operating office:

33 St Thomas Walk

St Thomas Suites

#26-06 Singapore 238141

Banker:

DBS Bank Ltd

Independent Auditor:

MGI Alliance Singapore PAC

60, Robinson Road #11-01

Bank of East Asia Building

Singapore 068892

Corporate Secretary:

GSM Law LLP

3 Phillip Street #10-03

Royal Group Building

Singapore 048693

Founding Members:

Tan Mok Koon

Tan Wei Liang

Tan Wei Ting

Directors:

Tan Mok Koon, Chairman (since 15 September 2015)

Tan Tow Koon (since 15 September 2015)

Tan Poay Koon (since 15 September 2015)

5. Review of Year 2018

5.1 Staffing

The TMK Charity Fund is wholly managed by Mr. Tan and his family members. No external staff was employed during the year.

5.2 Remuneration

The Members and Board of Directors are volunteers of the TMK Charity Fund. They will not be paid any remuneration.

5.3 Donation received

The TMK Charity Fund received \$200,000 donation from Mr. Tan and his family member. The Charity Fund does not fundraise from the public.

5.4 Donation disbursement

During FY2018, the TMK Charity Fund donated \$200,000 to the NUS, TMK Bursary (Endowed Fund).

The TMK Charity Fund only make donations to IPCs, and it must distribute the donations to IPCs within five years of receipt of the donation from the donors. As at 31st December 2018, the TMK Charity Fund has an outstanding balance of \$40,000 which need to be disbursed latest by 31st December 2022. Failing to do so, the charity fund will be liable to pay to IRAS a financial penalty.

	\$
Balance of cash donation not disbursed as at 1 st January 2018	40,000
Add cash donation received during the year 2018	200,000
Less cash donation disbursed during the year 2018	200,000
Balance of cash donation not disbursed as at 31 December 2018	40,000

5.5 Financial status

See enclosed audited financial statement FY 2018.

Mr. Tan has undertaken to fund the operating expenses (such as the accounting, auditing, corporate secretary fees etc.) of the charity fund. All donations will be distributed to the IPCs within five years of receipt from the donors according to the IRAS guideline.

6. Future plans and commitments

The TMK Charity Fund will continue its commitment to support charitable causes in the areas of advancement of education and relief of poverty. We will seek to provide grants to educational institutions as well as donations to charitable organizations that provide social and /or financial assistance to the less fortunate in the community.

7. Charity Council – Governance Evaluation Checklist

This requirement does not apply to a self-funded Grantmaker which is not an IPC.

TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
limited by guarantee and not having share capital)
(Registration No. 201534719N)

Annual Report
For the financial year ended 31 December 2018

TAN MOK KOON CHARITY FUND LIMITED
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Annual Report
For the financial year ended 31 December 2018

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TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2018.

In the opinion of the directors,

- (a) the accompanying financial statements 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 the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date; 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.

1. DIRECTORS

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

TAN MOK KOON
TAN TOW KOON
JOHNNY TAN POAY KOON

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR 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, since the Company is a company limited by guarantee and without share capital.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Company, being a company limited by guarantee, is prohibited from having a share capital. The Company has not issued any debentures during or after the financial year. As such, the matters required to be disclosed by Section 8 of the Twelfth Schedule of the Companies Act are not applicable to the Company.

TAN MOK KOON CHARITY FUND LIMITED
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DIRECTORS' STATEMENT

4. **SHARE OPTIONS**

The Company, being a company limited by guarantee, is prohibited from having a share capital. As such, the matters required to be disclosed by Section 9 of the Twelfth Schedule of the Companies Act are not applicable to the Company.

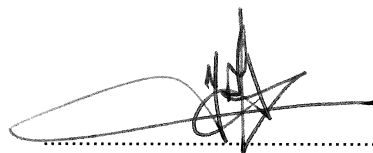
5. **INDEPENDENT AUDITORS**

The independent auditors, MGI Alliance Singapore PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors



.....
(TAN MOK KOON)
Director



.....
(TAN TOW KOON)
Director

12 JUN 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
limited by guarantee and not having share capital)
(Registration No. 201534719N)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TAN MOK KOON CHARITY FUND LIMITED** (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows of the Company 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"), the Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009 (the "Grant-Making 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 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 set out on pages 1 to 2.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TAN MOK KOON CHARITY FUND LIMITED - continued

(A Company incorporated in the Republic of Singapore,
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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, the Grant-Making 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TAN MOK KOON CHARITY FUND LIMITED - continued

(A Company incorporated in the Republic of Singapore,
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Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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 Charity have been properly kept in accordance with the provisions of the Companies Act, the Charities Act and Regulations and the Grant-Making Regulations.

MGI Alliance Singapore PAC

**MGI ALLIANCE SINGAPORE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**

Singapore,
12 June 2019



TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	<u>NOTE</u>	<u>2018</u> S\$	<u>2017</u> S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	(4)	32,633	38,112
Total current assets		32,633	38,112
TOTAL ASSETS		32,633	38,112
 FUNDS AND LIABILITIES			
FUNDS			
Accumulated funds	(5)	25,676	31,155
Total funds		25,676	31,155
CURRENT LIABILITIES			
Due to director	(6)	2,957	2,957
Accruals		4,000	4,000
Total current liabilities		6,957	6,957
Total liabilities		6,957	6,957
TOTAL FUNDS AND LIABILITIES		32,633	38,112

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

TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	<u>NOTE</u>	<u>2018</u> S\$	<u>2017</u> S\$
<u>Continuing operations</u>			
Revenue	(7)	200,000	-
Administrative expenses	(7)	(205,479)	(8,845)
Loss before tax		(5,479)	(8,845)
Income tax expense	(8)	-	-
Loss for the financial year		(5,479)	(8,845)
Other comprehensive income		-	-
Total comprehensive income for the financial year		(5,479)	(8,845)

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

TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
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STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Accumulated funds S\$
<u>2018</u>	
Beginning of financial year	31,155
Total comprehensive income for the financial year	(5,479)
End of financial year	<u>25,676</u>
	Accumulated funds S\$
<u>2017</u>	
Beginning of financial year	40,000
Total comprehensive income for the financial year	(8,845)
End of financial year	<u>31,155</u>

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

TAN MOK KOON CHARITY FUND LIMITED
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	<u>NOTE</u>	<u>2018</u> S\$	<u>2017</u> S\$
Cash flows from operating activities			
Loss before tax		(5,479)	(8,845)
Operating cash flows before working capital changes		(5,479)	(8,845)
<u>Changes in working capital</u>			
Accruals		-	4,000
Net cash used in operating activities		(5,479)	(4,845)
Cash flows from investing activities			
		-	-
Net decrease in cash and cash equivalents		(5,479)	(4,845)
Cash and cash equivalents at beginning of financial year		38,112	42,957
Cash and cash equivalents at end of financial year (4)		32,633	38,112

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

TAN MOK KOON CHARITY FUND LIMITED
(A Company incorporated in the Republic of Singapore,
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

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

1. GENERAL INFORMATION

TAN MOK KOON CHARITY FUND LIMITED is incorporated and domiciled in Singapore. The address of its registered office is:

3 Phillip Street
Royal Group Building
#10-02
Singapore 048693

The Company is limited by guarantee. It was granted the status as a charity under the Charities Act on 24 November 2015. It was registered as a grant-maker under the tax deduction scheme on 28 December 2015.

The Company is a non-profit philanthropic organisation whose principal activities are to carry out charitable activities and to provide grants and bursaries to students at local universities.

The financial statements of TAN MOK KOON CHARITY FUND LIMITED for the financial year ended 31 December 2018 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. BASIS OF PREPARATION

a) **Statement of compliance**

The financial statements have been prepared in accordance with the provisions of the Companies Act, the Charities Act and Regulations, the Grant-Making Regulations and Singapore Financial Reporting Standards (FRS).

b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies notes that follow.

c) **Functional and presentation currency**

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

TAN MOK KOON CHARITY FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgement

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no 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.

e) Changes in accounting policies

Overview

In the current financial year, the Company has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. Except for the adoption of FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with customers, which are discussed in the next paragraph, the adoption of these new/revised FRS and INT FRS has not resulted in changes to the Company's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

In respect of FRS 109 and FRS 115, the changes to the accounting policies are detailed in the respective accounting policy notes. However, the adoption of these FRS has no material effect on the amounts reported for the current or prior year's financial information.

TAN MOK KOON CHARITY FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. BASIS OF PREPARATION - continued

e) Changes in accounting policies - continued

Overview - continued

The Company has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the financial period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently by the Company to both periods presented in these financial statements except as explained in Note 2(e), which addresses changes in accounting policies.

a) Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

TAN MOK KOON CHARITY FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

a) Related parties - continued

(b) - continued

- (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); or
- (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).

b) Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

TAN MOK KOON CHARITY FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Financial instruments – continued

(ii) Classification and subsequent measurement

Non-derivative financial assets - Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company only has financial assets measured at amortised cost.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost comprise cash and cash equivalents.

Financial assets: Business model assessment - Policy applicable from 1 January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

TAN MOK KOON CHARITY FUND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Financial instruments - continued

(ii) Classification and subsequent measurement - continued

Financial assets: Business model assessment - Policy applicable from 1 January 2018 - continued

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest - Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Financial instruments - continued

(ii) Classification and subsequent measurement – continued

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest - Policy applicable from 1 January 2018 - continued

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses - Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial assets - Policy applicable before 1 January 2018

The Company classified non-derivative financial assets into the following categories: financial assets at FVTPL, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Company only had loans and receivables.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Financial instruments - continued

(ii) Classification and subsequent measurement – continued

Non-derivative financial assets: Subsequent measurement and gains and losses - Policy applicable before 1 January 2018

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Other financial liabilities comprise accruals and amount due to director.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

b) Financial instruments - continued

(iv) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Impairment

Non-derivative financial assets

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Impairment - continued

Non-derivative financial assets - continued

Policy applicable from 1 January 2018 – continued

General approach - continued

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Impairment - continued

Non-derivative financial assets - continued

Policy applicable from 1 January 2018 - continued

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets (including equity instruments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

c) Impairment - continued

Non-derivative financial assets - continued

Policy applicable before 1 January 2018 - continued

Loans and receivables - continued

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Company considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

d) Income tax

The Company is registered as a charity under the Charities Act, Chapter 37 and is exempt from income tax in accordance with Section 13(1)(zm) of the Income Tax Act.

e) Donations

The Company is registered as a grant-making philanthropic organisation in accordance with Section 3(3) of the Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009.

The registration was granted by the Comptroller of Income Tax and the Company is required to meet the conditions stipulated in the Regulations.

As per the Regulations, all donations received must only be disbursed to Institutions of Public Character within 5 years from the date of receipt.

Donations are recognised as income upon receipt.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CASH AND CASH EQUIVALENTS

	<u>2018</u> S\$	<u>2017</u> S\$
Cash at bank	<u>32,633</u>	<u>38,112</u>

5. ACCUMULATED FUNDS

The Company was incorporated as a company limited by guarantee and not having a share capital.

There are 3 members at the beginning and end of the financial year and as at the date of these financial statements.

According to the Constitution of the Company, the liability of members is limited and each member of the Company undertakes to contribute an amount not exceeding S\$1 in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member.

The accumulated funds are available for use at the discretion of the governing board members in furtherance of the Company's objectives.

6. DUE TO DIRECTOR

The amount due to director is non-trade in nature, unsecured, interest free and repayable on demand.

7. REVENUE AND ADMINISTRATIVE EXPENSES

	<u>2018</u> S\$	<u>2017</u> S\$
Revenue:		
Donation income	<u>200,000</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. **REVENUE AND ADMINISTRATIVE EXPENSES - continued**

	<u>2018</u> S\$	<u>2017</u> S\$
Administrative expenses include:		
Donation expenses	200,000	-
Computer expense	728	727
	200,728	727

8. **INCOME TAX**

The Company is registered as a charity and is exempt from income tax in accordance with Section 13(1)(zm) of the Income Tax Act.

9. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

Accounting classifications and fair values

Fair values versus carrying amounts

		<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<u>2018</u>						
Cash and cash equivalents	(4)		32,633	-	32,633	32,633
Due to director			-	2,957	2,957	2,957
Accruals			-	4,000	4,000	4,000
			-	6,957	6,957	6,957

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Accounting classifications and fair values - continued

Fair values versus carrying amounts - continued

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<u>2017</u>					
Cash and cash equivalents	(4)	38,112	-	38,112	38,112
Due to director		-	2,957	2,957	2,957
Accruals		-	4,000	4,000	4,000
		-	6,957	6,957	6,957

* Refer to Note 10 as to how fair values have been determined.

Risk Management Policies

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with the prevailing economic and operating conditions.

The Company does not hold or issue derivative financial instruments for speculative purpose.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's bank balances.

Cash at bank is maintained with fully licensed bank in Singapore. Impairment on cash at bank has been measured on the 12 month expected loss basis and reflects the short maturities of the exposures. The Company considers that the cash at bank has low credit risk based on the external credit ratings of the bank. The amount of the allowance on cash at bank is negligible.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

Risk Management Policies - continued

Credit risk - continued

As at reporting date, the Company's maximum exposure to credit risk was as follows:

	<u>2018</u> S\$	<u>2017</u> S\$
Cash at bank	<u>32,633</u>	<u>38,112</u>

Liquidity risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations. The Company depends on donations from its members to carry out its charitable activities and to mitigate the effects of fluctuations in cash flows.

The maturity profile of the financial liabilities of the Company is shown below. The amounts disclosed below are the contractual undiscounted cash flows.

	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>On demand</u> S\$	<u>Due within 1 year</u> S\$	<u>Total</u> S\$
<u>2018</u>					
Due to director	2,957	2,957	2,957	-	2,957
Accruals	4,000	4,000	-	4,000	4,000
	<u>6,957</u>	<u>6,957</u>	<u>2,957</u>	<u>4,000</u>	<u>6,957</u>
<u>2017</u>					
Due to director	2,957	2,957	2,957	-	2,957
Accruals	4,000	4,000	-	4,000	4,000
	<u>6,957</u>	<u>6,957</u>	<u>2,957</u>	<u>4,000</u>	<u>6,957</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk Management Policies - continued

Market risk

As at the end of the financial year, the Company does not have significant exposure to market risks such as interest rate or foreign currency exchange fluctuation risks.

10. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and cash equivalents, accruals and due to director

The carrying amounts of these financial instruments approximate their respective fair values due to the short term nature of these balances.

11. CAPITAL MANAGEMENT

The Company was incorporated as a company limited by guarantee and not having a share capital.

The Company is not subject to externally imposed capital requirements for the financial years ended 31 December 2018 and 31 December 2017.