

ETONHOUSE COMMUNITY FUND LIMITED
(Public Company Limited by Guarantee)
Registration No. 201312095N
(Incorporated in Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017
TOGETHER WITH DIRECTORS' STATEMENT
AND AUDITOR'S REPORT

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

The directors present their statement to the member together with the audited financial statements of EtonHouse Community Fund Limited (the "Company") for the financial year ended 31 December 2017.

In the opinion of the directors,

- (a) the financial statements of the Company as set out on pages 6 to 17 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial activities, 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.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Oh Chin Hai
Oh Choo Ai @ Oh Gim Choo @ Mrs Ng Gim Choo
Phua Hua Seng
Lee Teck Leng Robson
Tan Cher Liang

Under Article 9 of its Memorandum of Association, the member of the Company guarantees to contribute a sum not exceeding \$100 to the assets of the Company in the event of it being wound up. The Company has a sole member, EtonHouse International Holdings Pte. Ltd.

Directors' interests in shares or debentures

The Company is limited by guarantee and has no share capital. Therefore no director had interests in any shares or debentures of the Company or related corporations at the end of the financial year.

Arrangements to enable directors to acquire benefits by means of the acquisition of 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 object was 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.

Share options

As the Company is limited by guarantee and it has no share capital, the statutory information required to be disclosed under Section 201(12) of the Companies Act, Chapter 50 does not apply.

DIRECTORS' STATEMENT (Continued)

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors



OH CHIN HAI
Director



TAN CHER LIANG
Director

30 April 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ETONHOUSE COMMUNITY FUND LIMITED****Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of EtonHouse Community Fund Limited (the "Company") set out on pages 6 to 17 which comprise the statement of financial position of the Company as at 31 December 2017, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the 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 2017 and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the 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 MEMBER OF ETONHOUSE COMMUNITY FUND LIMITED (Continued)

Other Matter

The financial statements for the year ended 31 December 2016 were audited by another firm of auditors whose report dated 2 March 2017 expressed an unqualified opinion on those financial statements.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ETONHOUSE COMMUNITY FUND LIMITED (Continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention to cause us to believe that the Company has not complied with the requirements of Regulation 7 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

Crowe Horwath First Trust LLP

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

30 April 2018

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017
(Amounts in Singapore dollars)

	Note	2017 \$	2016 \$ (Reclassified) Note 10
Member's Guarantee			
Member of \$100	3	100	100
ASSETS			
Current assets			
Donation receivables	4	130,856	120,000
Cash and bank balances	5	494,575	207,336
TOTAL ASSETS		625,431	327,336
LIABILITIES			
Current liabilities			
Accrued expenses		2,696	1,500
Due to a related company (non-trade)	6	5,273	-
TOTAL LIABILITIES		7,969	1,500
NET ASSETS		617,462	325,836
FUNDS			
Represented by:			
Restricted funds		626,664	332,696
Unrestricted funds		(9,202)	(6,860)
TOTAL FUNDS		617,462	325,836

The accompanying notes are an integral part of the financial statements.

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(Amounts in Singapore dollars)

	2017		2016	
	Restricted funds \$	Unrestricted funds \$	Restricted funds \$	Unrestricted funds \$
Incoming resources				
Donation income	375,331	-	141,848	-
Auction receipts	1,815	-	326	-
Interest income	-	1,532	-	2,490
Total incoming resources	377,146	1,532	142,174	2,490
Resources expended				
Donations	(50,426)	-	(120,300)	-
Related expenses	(32,752)	-	-	-
Other sources expended	-	(3,874)	-	(3,348)
Total resources expended	(83,178)	(3,874)	(120,300)	(3,348)
Net surplus / (deficit) for the year	293,968	(2,342)	21,874	(858)
		Total funds		Total funds
		\$		\$
		378,678		144,664

The accompanying notes are an integral part of the financial statements.

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(Amounts in Singapore dollars)

	Restricted funds	Unrestricted funds	Total funds
	\$	\$	\$
Balance at 1 January 2016	310,822	(6,002)	304,820
Total surplus for the year	21,016	-	21,016
Balance at 31 December 2016, as previously reported	331,838	(6,002)	325,836
Prior year reclassification (Note 10)	858	(858)	-
Balance at 31 December 2016, as reclassified	332,696	(6,860)	325,836
Balance at 1 January 2017	332,696	(6,860)	325,836
Total surplus / (deficit) for the year	293,968	(2,342)	291,626
Balance at 31 December 2017	626,664	(9,202)	617,462

The accompanying notes are an integral part of the financial statements.

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(Amounts in Singapore dollars)

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus after tax	291,626	21,016
Adjustment for :		
Interest income	(1,532)	(2,490)
Operating surplus before working capital changes	290,094	18,526
Donation receivables	(10,856)	(120,000)
Accrued expenses	1,196	(94)
Cash generated from / (used in) operations	280,434	(101,568)
Interest received	1,532	2,490
Net cash from / (used in) operating activities	281,966	(99,078)
Cash flows from financing activities		
Due to a related company (non-trade)	5,273	(74,171)
Net cash from / (used in) financing activities	5,273	(74,171)
Net increase / (decrease) in cash and bank balance	287,239	(173,249)
Bank balance at beginning of year	207,336	380,585
Bank balance at end of the financial year	494,575	207,336

The accompanying notes are an integral part of the financial statements.

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017
(Amounts in Singapore dollars)

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

1. GENERAL INFORMATION

EtonHouse Community Fund Limited (the "Company"), incorporated in Singapore, is a public company limited by guarantee and registered as a charity under the Singapore Charities Act, Chapter 37. The address of the Company's registered office is at 178 Clemenceau Avenue, #06-00 Haw Par Glass Tower, Singapore 239926.

The principal activities of the Company are philanthropy in childhood education and related charitable and humanitarian work.

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs"). The financial statements are presented in Singapore dollars ("\$").

The preparation of the financial statements in conformity with FRS 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 that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There were no significant critical accounting estimates and assumptions used, or critical judgment applied.

Adoption of new and revised standards

On 1 January 2017, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

<u>Descriptions</u>	<u>Effective for annual periods beginning on or after</u>
FRS 115: <i>Revenue from Contracts with Customers (including Clarifications)</i>	1 January 2018
FRS 109: <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 102: <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 40: <i>Transfers of Investment Property</i>	1 January 2018
Improvements to FRSs (Dec 2016)	
- FRS 101: <i>First-time Adoption of Financial Reporting Standards</i>	1 January 2018
- FRS 28: <i>Investments in Associates and Joint Ventures</i>	1 January 2018
INT FRS 122: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to FRS 104: <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018
FRS 116: <i>Leases</i>	1 January 2019
INT FRS 123: <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 109: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to FRS 28: <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Improvements to FRSs (March 2018)	
- FRS 103: <i>Business Combinations</i>	1 January 2019
- FRS 111: <i>Joint Arrangements</i>	1 January 2019
- FRS 12: <i>Income Taxes</i>	1 January 2019
- FRS 23: <i>Borrowing Costs</i>	1 January 2019
FRS 117: <i>Insurance Contracts</i>	1 January 2021

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Currency translation

(i) Functional and presentation currency

The financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Singapore dollars, which is the functional currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation (Continued)

(ii) Transactions and balances (Continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in the profit or loss.

Financial assets

(i) Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. As at the reporting date, the Company has financial assets only in the category of loans and receivables.

(ii) Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables comprise cash and bank balances and donation receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. As at the reporting date, the Company has financial liabilities in the category of financial liabilities at amortised cost.

(ii) Subsequent measurement

Subsequent to initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

(iii) Derecognition

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognised when the Company has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Restricted funds

The restricted funds are funds which are available to be used for specific purpose and programs.

Unrestricted funds

The unrestricted funds are funds which are available to be used at the discretion of the governing board members in furtherance of the Company's objects.

Donations

Donations are recognised as and when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

Interest income

Interest income is recognised on time-proportioned basis using the effective interest method.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. MEMBER'S GUARANTEE

The Company is limited by guarantee whereby each member of the Company undertakes to meet the debts and liabilities of the Company in the event of its liquidation, to an amount not exceeding \$100 per member.

As at 31 December 2017, the Company has 1 member (2016: 1 member). The member is an entity controlled by the Company's directors.

4. DONATION RECEIVABLES

	2017	2016
	\$	\$
Receivable from donor, a related company (Note A)	130,000	120,000
Receivable from donor, a third party	856	-
	<hr/> 130,856	<hr/> 120,000

Note A

During the year, the Company recognised a donation income of \$130,000 (2016: \$120,000) from a related company, which has been received subsequent to the year end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. CASH AND BANK BALANCES

	2017	2016
	\$	\$
Cash and bank balances	332,655	46,948
Fixed deposits (Note B)	161,920	160,388
	<u>494,575</u>	<u>207,336</u>

Note B

Fixed deposits have an average maturity period of 30-90 days and yield interest income at interest rates of 0.875% - 1.0% per annum.

6. DUE TO A RELATED COMPANY (NON-TRADE)

The balance is unsecured, interest-free and repayable on demand.

7. RELATED PARTY INFORMATION

Some of the arrangements with related parties (as defined in Note 2 above) and the effects of these bases determined between the parties are reflected elsewhere in this report. Details of transactions between the Company and other related parties are disclosed below:

	2017	2016
	\$	\$
Donation income from a related company	132,893	120,000
Expenses paid on behalf by a related company	(31,541)	-

These related companies comprise mainly companies which are controlled or jointly controlled by the Company's key management personnel and their close family members.

8. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk. The Company's policies for managing each of these risks are summarised below.

It is the Company's policy not to trade in derivative contracts.

(i) Interest rate risk

The Company's exposure to interest rate risk relates primarily to fixed deposits placed with financial institution as disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Credit risk

Credit risk is limited to the risk arising from cash at bank at the reporting date. The bank balances are placed with financial institutions of high credit standing. No other financial assets carry a significant exposure to credit risks.

(iii) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The financial liabilities of the Company as at 31 December 2017 are repayable on demand or due within 1 year from the reporting date.

Funds management

The funds of the Company comprise the charity funds and accumulated losses. Disbursement and usage of charity funds are restricted to the specific charitable purposes specified by donors. The Company aims to safeguard these funds through appropriate operating policies.

The Company's overall strategy remains unchanged from 2016.

9. FAIR VALUES DISCLOSURES

The Company has no financial assets and liabilities carried at fair value in 2017.

The carrying amounts of cash and bank balances, donation receivables, accrued expenses and amount due to a related company are reasonable approximation of fair values due to their relatively short-term nature.

10. COMPARATIVES

Prior financial year comparatives have been audited by another firm of certified public accountants.

An amount of \$858 arising from 'charity funds' was erroneously classified as 'accumulated losses'. To enhance comparability and conform with current year's financials, the Board of Directors assessed and concluded to reclass this balance from 'accumulated losses' to 'charity funds' to better reflect the nature of the balance. As a result, the statement of financial position and statement of changes in funds as at 31 December 2016 are reclassified as follow:

	31 December 2016	
	Balances as reclassified \$	Balances as previously reported \$
<u>Statement of financial position / Statement of changes in funds</u>		
FUNDS		
Restricted funds	332,696	331,838
Unrestricted funds	(6,860)	(6,002)