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

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018
TOGETHER WITH DIRECTORS' STATEMENT
AND AUDITOR'S REPORT

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 2018.

In the opinion of the directors,

(a) the financial statements of the Company as set out on pages 6 to 21 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 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	
Ng Chong Khim	(Appointed on 16 January 2019)
Ng Zee Howe, Alex	(Appointed on 16 January 2019)

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.

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	**TAN CHER LIANG**
Director	Director

30 April 2019

Crowe

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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 21 which comprise the statement of financial position of the Company as at 31 December 2018, 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 2018 and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on 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)

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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Crowe

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

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 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 2019

ETONHOUSE COMMUNITY FUND LIMITED
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018
(Amounts in Singapore dollars)

	Note	2018 $	2017 $
Member's Guarantee			
Member of $100	3	100	100
ASSETS			
Non-current asset			
Equipment	4	1,265	-
Current assets			
Donation receivables	5	238,000	130,856
Bank balances	6	669,368	494,575
		907,368	625,431
TOTAL ASSETS		908,633	625,431
LIABILITIES			
Current liabilities			
Other payable and accruals		4,003	2,696
Due to a related company (non-trade)	7	4,098	5,273
TOTAL LIABILITIES		8,101	7,969
NET ASSETS		900,532	617,462
FUNDS			
Represented by:			
Restricted funds		100,000	626,664
Unrestricted funds		800,532	(9,202)
TOTAL FUNDS		900,532	617,462

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 2018
(Amounts in Singapore dollars)

	2018			2017		
	Restricted funds $	Unrestricted funds $	Total funds $	Restricted funds $	Unrestricted funds $	Total funds $
Incoming resources						
Donation income	-	322,699	322,699	375,331	-	375,331
Auction receipts	-	-	-	1,815	-	1,815
Interest income	-	3,682	3,682	-	1,532	1,532
Total incoming resources	-	326,381	326,381	377,146	1,532	378,678
Resources						
Donations	-	(22,367)	(22,367)	(50,426)	-	(50,426)
Related expenses	-	-	-	(32,752)	-	(32,752)
Other sources	-	(5,102)	(5,102)	-	(3,874)	(3,874)
Staff costs	-	(15,842)	(15,842)	-	-	-
Total resources expended	-	(43,311)	(43,311)	(83,178)	(3,874)	(87,052)
Net surplus / (deficit) for the year	-	283,070	283,070	293,968	(2,342)	291,626

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 2018
(Amounts in Singapore dollars)

	Restricted funds	Unrestricted funds	Total funds
	$	$	$
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
Balance at 1 January 2018	626,664	(9,202)	617,462
Total surplus for the year	-	283,070	283,070
Transfer from restricted to unrestricted fund (Note A)	(526,664)	526,664	-
Balance at 31 December 2018	100,000	800,532	900,532

Note A
In accordance with the directors' resolution dated 14 November 2018, the total amount of funds raised from the previous fund-raising activity in 2017, in excess of pledged amounts of $100,000, shall be released and reallocated to unrestricted funds. These unrestricted funds shall be utilised for general operating expenses of the Company or any approved programs or campaigns supported by the Company.

As such, the restricted funds amounting to $526,664 has been transferred to unrestricted funds during the current year.

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 2018
(Amounts in Singapore dollars)

	2018 $	2017 $
Cash flows from operating activities		
Surplus after tax	283,070	291,626
Adjustment for :		
Depreciation	115	-
Interest income	(3,682)	(1,532)
Operating surplus before working capital changes	279,503	290,094
Donation receivables	(107,144)	(10,856)
Other payable and accruals	1,307	1,196
Cash generated from operations	173,666	280,434
Interest received	3,682	1,532
Net cash from operating activities	177,348	281,966
Cash flows from investing activity		
Purchase of equipment, representing the net cash used in investing activity	(1,380)	-
Cash flows from financing activity		
(Repayment to) / Advance from a related company, representing the net cash used in financing activity	(1,175)	5,273
Net increase in bank balance	174,793	287,239
Bank balance at beginning of year	494,575	207,336
Bank balance at end of the financial year	669,368	494,575

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

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 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2019.

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 2018, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of new and revised standards (Continued)

Adoption of FRS 109: *Financial Instruments*

(a) Classification and measurement of financial assets

All recognised financial assets that are within the scope of FRS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through profit or loss (FVPL)
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments

FRS 109 eliminates the previous categories of financial assets, namely loans & receivables (L&R), held-to-maturity (HTM) financial assets and available-for-sale (AFS) financial assets. As allowed by FRS 109, the Company adopts the classification and measurement categories on 1 January 2018 based on facts and circumstances existed at the date for the determination of the business model, and does not restate comparative information for prior periods. Difference in carrying amounts of financial assets resulting from adoption of FRS 109 are adjusted to retained earnings and reserve as at 1 January 2018

The Company does not own any debt investments. The financial assets of the Company comprise of donation receivables and bank balances. These are previously classified as loan and receivables under FRS 39 and is now classified as financial assets at amortised costs under FRS 109.

(b) Impairment of financial assets

The "incurred loss" model in FRS 39 was replaced by the "Expected Credit Losses (ECL)" model in FRS 109, which applies to financial assets measured at amortised costs. Impairment loss for trade receivables are provided using simplified approach at the life-time ECL. ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Company in accordance with the contracts and the cash flows that the Company expects to receive), discounted at effective interest rate of the financial asset. For assets within the scope of FRS 109 impairment model, impairment losses are generally expected to be provided at a higher amount and earlier than what was provided using FRS 39. At the date of reporting, there is no material ECL.

Standards issued but not yet effective

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

Descriptions	Effective for annual periods beginning on or after
FRS 116: *Leases*	1 January 2019
INT FRS 123: *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to FRS 109: *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to FRS 28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective (Continued)

Descriptions	Effective for annual periods beginning on or after
Improvements to FRSs (March 2018)	
- FRS 103: *Business Combinations*	1 January 2019
- FRS 111: *Joint Arrangements*	1 January 2019
- FRS 12: *Income Taxes*	1 January 2019
- FRS 23: *Borrowing Costs*	1 January 2019
Amendments to FRS 19: *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to FRS 103: *Definition of a Business*	1 January 2020
Amendments to FRS 1 and FRS 8: *Definition of Material*	1 January 2020
FRS 117: *Insurance Contracts*	1 January 2021
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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.

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.

Equipment

All items of equipment are initially recorded at cost. The cost of an item of equipment initially recognised includes its purchase price and any cost that is 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. The cost of an item of equipment including subsequent expenditure is recognised as an asset if, and only if, 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. When significant parts of equipment is required to be replaced in intervals, the Company recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. All items of equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows:

	Useful life (Years)
Computer	3

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equipment (Continued)

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "Other operating income / (expenses)".

Financial assets and liabilities (From 1 January 2018 onwards)

(i) Initial recognition and measurement

Financial assets and financial liabilities 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 or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Company changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:
- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly donation receivables and bank balances, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

As at the reporting date, the Company does not have other categories of financial assets except for financial assets at amortised costs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (From 1 January 2018 onwards) (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise other payables and accruals and amount due to a related company.

The Company does not have financial liabilities at FVPL.

(iii) Derecognition

Financial assets

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 or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Company also derecognise 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 on the modified terms is recognised at fair value.

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

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (From 1 January 2018 onwards)

The Company applies impairment model in FRS 109 to measure the Expected Credit Losses (ECL) of the following categories of assets:

- Financial assets at amortised costs (including donation receivables and bank balances)

General approach

The Company applies general approach on all financial instruments, and recognises a 12-month ECL on initial recognition. 12-month ECL results from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost and contract assets are deducted from the gross carrying amount of those asset.

Significant increase in credit risk (Stage 2)
For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Company assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Company uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Company takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- an actual or expected significant change in the operating results of the debtors

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

Definition of default
The Company considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligation in full, without recourse by the Company; or
- The financial asset is more than 90 days past due.

Credit-impaired (Stage 3)
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (From 1 January 2018 onwards) (Continued)

Credit-impaired (Stage 3) (Continued)
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Company writes off the gross carrying amount of a financial asset to the extent that there is no realistic prospect of recovery, for example when the debtor does not have sources of income that could generate sufficient cash flows to repay the Company.

Financial assets (Prior to 1 January 2018)

(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 31 December 2017, 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 donation receivables and bank balances.

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 (Prior to 1 January 2018)

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Prior to 1 January 2018) (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 (Prior to 1 January 2018)

(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 31 December 2017, 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.

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 amounts can be measured with sufficient reliability, which generally coincide with the receipt of the amounts 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.

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 (2017: $100) per member.

As at 31 December 2018, the Company has 1 member (2017: 1 member). The member is an entity controlled by certain directors of the Company.

4. EQUIPMENT

	Computer
	$
Cost	
As at 1.1.2018	-
Additions	1,380
As at 31.12.2018	1,380
Accumulated depreciation	
As at 1.1.2018	-
Depreciation	115
As at 31.12.2018	115
Net carrying amount	
As at 31.12.2018	1,265
As at 31.12.2017	-

5. DONATION RECEIVABLES

	2018	2017
	$	$
Receivable from donor, a related company (Note A)	238,000	130,000
Receivable from donor, a third party	-	856
	238,000	130,856

Note A
During the year, the Company recognised a donation income of $238,000 (2017: $130,000) from a related company, which has been received subsequent to the year end.

6. BANK BALANCES

	2018	2017
	$	$
Bank balances	103,766	332,655
Fixed deposits (Note B)	565,602	161,920
	669,368	494,575

Note B
Fixed deposits have an average maturity period of 30 - 90 days (2017: 30 - 90 days) and yield interest income at interest rate of 1.0% - 1.2% (2017: 0.875% - 1.0%) per annum.

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

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

8. 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:

	2018	2017
	$	$
Donation income from a related company	238,000	132,893
Expenses paid on behalf by a related company	(9,498)	(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.

9. 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 6.

(ii) Credit risk

Credit risk is limited to the risk arising from cash at bank at the reporting date. No other financial assets carry a significant exposure to credit risk.

There had been no significant increase in credit risk since initial recognition. Bank balances are placed with reputable financial institutions with high credit ratings. Management concluded that the probability of default is low for donation receivable from a related company (Note 5 and 8), based on strong financial results and liquidity position of the related company. Accordingly, the 12-month ECL is insignificant.

(iii) Liquidity risk

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

The financial liabilities of the Company as at 31 December 2018 are repayable on demand or settled 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 2017.

10. FAIR VALUES DISCLOSURES

The Company has no financial assets and liabilities carried at fair value in 2018.

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