SPECIAL NEEDS TRUST COMPANY LIMITED

(Company Limited by Guarantee)
(Incorporated in the Republic of Singapore)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

Company Reg No: 200812120W

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新 加 坡 特 許 會 計 師
C. S. CHOONG & CO. PAC
Chartered Accountants of Singapore

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CONTENTS	PAGES

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DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the year ended 31 March 2014.

Directors

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

Chee Yoh Chuang
Chua Yeow Hooi
Conrad Melville Campos
Chng Ho Kiat
Dr Balbir Singh
Lee Chak Meng
Lim Cheng Teck
Margaret Chew Sing Seng
Quek Soo Hoon
Yeap Soon Aun
Lim Pin
Dr Tang Hang Wu

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporation are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Chee Yoh Chuang		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Chua Yeow Hooi		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Conrad Melville Campos		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-

Directors' interests (continued)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Chng Ho Kiat		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Dr Balbir Singh		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Lee Chak Meng		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Lim Cheng Teck		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Margaret Chew Sing Seng		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Quek Soo Hoon		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Yeap Soon Aun		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-

Directors' interests (continued)

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Lim Pin		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-
Dr Tang Hang Wu		
The Company		
Special Needs Trust Company Limited		
- ordinary shares		
- interests held	-	-
- deemed interests	-	-

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 18 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

Share options

There were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

Auditors

The auditors, C. S. Choong & Co. PAC, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors,

Name:
Director

Name:
Director

Date: 1 OCT 2014

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 8 to 29 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in fund, and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

On behalf of the Board of Directors,

Name:
Director

Name:
Director

Date: 1 OCT 2014

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Tel: +65 6223 9166 Fax: +65 6225 7308 Email: audit@cschoongcpa.sg
Co./GST Reg. No. 200901556H

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPECIAL NEEDS TRUST COMPANY LIMITED
(Company Limited by Guarantee)
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Report on the Financial Statements

We have audited the accompanying financial statements of SPECIAL NEEDS TRUST COMPANY LIMITED (the "Company"), which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Cap. 50 (the "Act"), the Singapore Charities Act, Cap 37 (the "Charities Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in fund and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

(a) 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; and

(b) the Company did not conduct any fund-raising events during the financial year.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year, the use of the donation moneys was not in accordance with the objectives of the Charity as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations.

C.S. Choong & Co. PAC

C. S. Choong & Co. PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 1 OCT 2014

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	2014 $	2013 $
ASSETS			
Non-current assets			
Property, plant and equipment	5	24,602	46,132
Trust amount held by IPTO	9	8,046,762	5,323,351
		8,071,364	5,369,483
Current assets			
Fund receivables	6	900	150
Deposits and prepayments	6	28,816	41,997
Cash and cash equivalents	7	2,611,600	1,924,433
		2,641,316	1,966,580
Total assets		**10,712,680**	**7,336,063**
FUND AND LIABILITIES			
Unrestricted Fund			
Accumulated Fund		1,798,866	1,920,387
Restricted Fund			
Financial Assistance Fund	21	500,000	-
Total Funds		2,298,866	1,920,387
Non-current liabilities			
SNTC trust fund due to principals	10	8,046,762	5,323,351
Deferred income	11	-	797
Total non-current liabilities		8,046,762	5,324,148
Current liabilities			
Other payables and accruals	8	367,000	91,528
Deferred income	11	52	-
Total current liabilities		367,052	91,528
Total liabilities		8,413,814	5,415,676
Total equity and liabilities		**10,712,680**	**7,336,063**

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

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 $	2013 $
Revenue	12	12,870	34,259
Other income	12	1,166,707	399,236
		1,179,577	433,495
Costs and expenses			
Depreciation	5	30,894	30,131
Employee benefits expense	13	592,399	470,998
Other expenses	14	177,805	95,479
		(801,098)	(596,608)
Surplus/(Deficit) before tax	15	378,479	(163,113)
Income tax expense	16	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		378,479	(163,113)
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		378,479	(163,113)

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

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31 MARCH 2014

	Note	Accumulated Fund $	Financial Assistance Fund $	Total $
Balance at 31 March 2012		2,083,500	-	2,083,500
Total comprehensive loss for the year		(163,113)	-	(163,113)
Balance at 31 March 2013		**1,920,387**	**-**	**1,920,387**
Total comprehensive income for the year		378,479	-	378,479
Transferred from accumulated fund	21	(500,000)	500,000	-
Balance at 31 March 2014		**1,798,866**	**500,000**	**2,298,866**

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

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Surplus/(Deficit) before tax		378,479	(163,113)
Adjustments for:			
Depreciation	5	30,894	30,131
		409,373	(132,982)
(Increase)/Decrease in:			
Fund receivables		(750)	(22)
Trade and other receivables		13,181	(35,347)
Increase/(Decrease) in:			
Other payables and accruals		275,472	18,115
Deferred income (current)		52	(658)
Deferred income (non-current)		(797)	(1,497)
		287,158	(19,409)
Net cash from/(used in) operating activities		*696,531*	*(152,391)*
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(9,364)	(1,821)
Net cash from/(used in) investing activities		*(9,364)*	*(1,821)*
Cash flows from financing activities		-	-
Net cash from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		687,167	(154,212)
Cash and cash equivalents at beginning of year	7	1,924,433	2,078,645
Cash and cash equivalents at end of year	7	**2,611,600**	**1,924,433**

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 OCT 2014.

1. Domicile and activities

Special Needs Trust Company Limited (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 298 Tiong Bahru Road, #03-05 Central Plaza, Singapore 168730.

The Company is primarily involved in the business of those relating to the provision of trust services; and the set up and management of an endowment fund as trustees to fund the operational expenses of the Trust Company, and to provide financial assistance to deserving and/or financially needy Persons with Special Needs as may be appropriate.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policies below.

(c) Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

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 period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 5 – depreciation policy of property, plant and equipment

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5 – useful life of depreciable assets
- Note 8 – provisions

(e) Changes in accounting policies

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS/INT FRS did not have any material effect on the financial statements.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, which addresses changes in accounting policies.

(a) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as hedge of the net investment in foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

(b) Financial instruments

(i) Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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

Financial instruments are usually categorised as (i) financial assets at fair value through profit and loss, (ii) held-to-maturity financial assets, (iii) loans and receivables, and (iv) available-for-sale financial assets.

During the year, the Company has classified non-derivative financial assets in the following category:

- *Loans and receivables*

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

Loans and receivables comprise fund receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

3. **Significant accounting policies (continued)**

(b) Financial instruments (continued)

(ii) Non-derivative financial liabilities (continued)

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables and accruals.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

3. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation (continued)

The estimated useful lives for the current and comparative years are as follows:

Computer	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(d) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value for the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Company's statement of financial position.

(e) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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 in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

- *Loans and receivables*

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

3. **Significant accounting policies (continued)**

(e) Impairment (continued)

(i) Non-derivative financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(f) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. **Significant accounting policies (continued)**

(g) **Deferred income**

Government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the assets.

(h) **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) **Revenue**

(i) **Donations**

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

(ii) **Government grants**

Government grants are recognised as income in the financial statements over the years necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

(iii) **Services**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iv) **Interest income**

Interest income is recognised as it accrues in profit or loss using the effective interest method.

(j) **Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3. **Significant accounting policies (continued)**

(k) Finance costs

Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss during the effective interest method.

(l) New standards and interpretations not adopted

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 March 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the Company financial statements.

(m) Income tax expense

The Company is exempt from tax under Section 13(1)(zm) of the Singapore Income Tax Act.

4. **The Company**

The Company is limited by guarantee and not having a share capital.

5. **Property, plant and equipment**

2014	Computer $
Cost or Valuation	
Balance at beginning year:	
At cost	102,183
At valuation	-
	102,183
- Additions	9,364
- Disposals	-
Balance at end of year	111,547
Accumulated Depreciation and Impairment	
Balance at beginning of year:	56,051
- Charge for the year	30,894
- Disposals	-
- Impairment loss	-
Balance at end of year	86,945
Net Book Value	
At end of year	24,602
At beginning of year	46,132

5. Property, plant and equipment (continued)

2013	Computer $
Cost or Valuation	
Balance at beginning year:	
At cost	100,362
At valuation	-
	100,362
- Additions	1,821
- Disposals	-
Balance at end of year	102,183
Accumulated Depreciation and Impairment	
Balance at beginning of year:	25,920
- Charge for the year	30,131
- Disposals	-
- Impairment loss	-
Balance at end of year	56,051
Net Book Value	
At end of year	46,132
At beginning of year	74,442

During the year, the Company acquired property, plant and equipment with an aggregate cost of $9,364 (2013: $1,821). Cash payments of $9,364 (2013: $1,821) were made for purchase of property, plant and equipment.

6. Fund and other receivables

	Note	2014 $	2013 $
Fund receivables		900	150
Deposits		9,034	9,034
Prepayments		19,782	32,963
		28,816	41,997
Total fund and other receivables		**29,716**	**42,147**
Prepayments		19,782	32,963
Fund and receivables	19	9,934	9,184
Total fund and other receivables		**29,716**	**42,147**

The Company's exposure to credit and currency risks and impairment losses relating to fund and receivables are disclosed in note 19.

7. Cash and cash equivalents

Cash and cash equivalents consist of fixed deposits, cash on hand and balance with bank as follows:

	2014 $	2013 $
Fixed deposits	1,831,394	1,520,844
Cash on hand	300	300
Cash at bank	779,906	403,289
	2,611,600	1,924,433

The weighted average effective interest rates per annum relating to cash at bank is 0.218% (2013: 0.01%) and fixed deposits is 0.60% - 1.10% (2013: 0.73% - 0.8%) Interest rates reprice yearly. The maturity dates are 21 May 2014 and 17 September 2014.

8. Other payables and accruals

	Note	2014 $	2013 $
Other payables		240,933	-
Accruals		22,626	12,396
Provisions		103,441	79,132
Total trade and other payables		**367,000**	**91,528**
Provisions		103,441	79,132
Other financial liabilities	19	263,559	12,396
Total trade and other payables		**367,000**	**91,528**

The Company's exposure to currency and liquidity risk relating to other financial liabilities are disclosed in note 19.

9. Trust amount held by IPTO

Trust funds under the Company's SNTC Trusteeship Scheme amounting to $8,046,762 (2013: $5,323,351) are invested and managed by the Public Trustee – Insolvency and Public Trustee's Office ('IPTO'). Upon activation of the trust, the trust funds will be administered by the Company ('SNTC'), according to the wishes of the settlor set out in a Letter of Intent attached to the Trust Deed (note 10).

10. SNTC Trust Fund due to principals

	2014 $	2013 $
Balance at beginning of year	5,323,351	4,325,431
Receipts	2,928,294	1,444,011
Disbursements	(204,883)	(446,091)
Balance at end of year	8,046,762	5,323,351

Trust funds are placed by the principals with the Company ('SNTC'). SNTC manages the trust fund as per the trusteeship scheme entered by the settlors i.e. principals (note 9).

11. Deferred income

	2014 $	2013 $
Deferred income		
- Balance at beginning of year	797	2,952
- Current year		-
- Balance at end of year	797	2,952
Less: Amount matched against related expenditure	(745)	(2,155)
	52	797
Current liabilities	52	-
Non-current liabilities	-	797
	52	797

This represents government grants related to income and is recognised in the Statement of Comprehensive Income over the year necessary to match the income with the related expenditure.

12. Income

The amount of each significant category of income recognised during the financial year is as follows:

	2014 $	2013 $
Revenue		
- sale of goods	-	-
- rendering of services	12,870	34,259
	12,870	34,259
Other income		
- interest	10,929	11,417
- royalties	-	-
- dividends	-	-
- grants	1,113,111	371,111
- donations	32,160	16,708
- others	10,507	-
	1,166,707	399,236
	1,179,577	433,495

13. Employee benefits expense

	2014 $	2013 $
Contract for service	27,355	2,425
Defined contribution plan	65,279	54,982
Salaries and bonus	499,765	413,591
	592,399	470,998

14. Other expenses

	2014 $	2013 $
Communication	10,247	2,583
Financial assistance - Initial Trust Capital	28,000	10,000
Financial assistance -Trust Top-ups	18,800	-
IT maintenance	14,461	13,737
Professional fees	8,239	4,922
Rental and service charges	60,683	35,763
Skills development levy	935	713
Staff benefits	8,228	5,130
Staff training and development	4,875	1,505
Other administrative expenses, etc.	23,337	21,126
	177,805	95,479

15. Surplus/(Deficit) for the year

The following items have been included in arriving at surplus/(deficit) for the year:

	Note	2014 $	2013 $
Depreciation	5	30,894	30,131
Operating lease expense		62,996	38,184
Employee benefits expense	13	592,399	470,998
Contributions to defined contribution plans, included in employee benefits expense	13	65,279	54,982
Fixed deposits interest earned		(10,929)	(11,417)

16. Income tax expense

No provision for taxation has been provided as the income is exempt from tax under Section 13(1)(zm) of the Singapore Income Tax Act.

The Company is both charity (since 1 August 2008) and IPC status (1 August 2013 – 31 July 2016).

17. Operating leases

Leases as lessee

The future minimum lease payments to be paid under the non-cancellable lease are as follows:

	2014 $	2013 $
Within one year	24,506	32,075
Between two to five years	6,930	23,763
More than five years	-	-
	31,436	55,838

(a) The Company leases an office unit for business usage. The lease runs for 3 years, with an option to renew the lease after that date.

(b) The copier lease rental runs for 6 years, with an option to renew the lease after that date.

18. Related party transactions

(a) Significant transactions with related parties

Sale and purchase of goods and services

There are no related party transactions for sale and purchase of goods and services.

(b) Transactions with key management personnel

Key management personnel's remuneration

The number of key management personnel whose remuneration amount above $50,000 in the year is as follows:

	2014 $	2013 $
Number of key management personnel in bands:		
$50,001 to $100,000	-	-
$100,001 to $150,000	1	1

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Board members are volunteers and do not receive remuneration.

19. Financial instruments

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	Note	2014 $	2013 $
Financial assets:			
Fund and receivables	6	9,934	9,184
Cash and cash equivalents	7	2,611,600	1,924,433
		2,621,534	1,933,617
Financial liabilities:			
Other financial liabilities	8	263,559	12,396

(b) Fair values of financial assets and financial liabilities

The carrying amounts of the financial assets and financial liabilities approximate to their fair values.

(c) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount 2014 $	Carrying amount 2013 $
Fund and receivables	9,934	9,184
Cash and cash equivalents	2,611,600	1,924,433
	2,621,534	1,933,617

(ii) Impairment losses

The ageing of fund and receivables at the reporting date was:

	Gross 2014 $	Impairment 2014 $	Gross 2013 $	Impairment 2013 $
Not past due	9,934	-	9,184	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 180 days	-	-	-	-
Past due 181 - 365 days	-	-	-	-
More than one year	-	-	-	-
	9,934	-	9,184	-

19. **Financial instruments (continued)**

(c) **Credit risk (continued)**

(ii) Impairment losses (continued)

The movement in the allowance for impairment in respect of fund and receivables during the year was as follows:

	Carrying amount	
	2014	2013
	$	$
At beginning of year	-	-
Impairment loss recognised	-	-
At end of year	-	-

Fund and receivables that are determined to be impaired at the statement of financial position date relate to debtors that are in financial difficulties and have defaulted on payments. Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary. The allowance account in respect of fund and receivables is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 March 2014, the Company does not have any collective impairment on its fund and receivables (2013: NIL).

(d) **Liquidity risk**

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows				
		Total	< 12 months	1-2 years	2-5 years	> 5 years
	$	$	$	$	$	$
2014						
Other financial liabilities	263,559	(263,559)	(263,559)	-	-	-
2013						
Other financial liabilities	12,396	(12,396)	(12,396)	-	-	-

(e) **Currency risk**

(i) Exposure to currency risk

The Company does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

19. Financial instruments (continued)

(f) Interest rate risk

(i) Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Nominal Interest rates	Carrying amount 2014	Carrying amount 2013
	%	$	$
(a) **Fixed rate instruments**			
Financial assets			
- Fund and receivables	NIL	9,934	9,184
- Fixed deposits	0.60 - 1.10	1,831,394	1,520,844
Financial liabilities			
- Other financial liabilites	NIL	(263,559)	(12,396)
		1,577,769	1,517,632

(ii) Sensitivity analysis

The Company's exposure to market risk for change in interest rates relate mainly to cash balances placed in fixed deposits. At the statement of financial position date, the Company does not have any significant interest-bearing liabilities.

A change in 100 basis point at the reporting date is not expected to have a significant impact on the financial statements. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

20. Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk (currency and interest rate)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

20. **Financial risk management (continued)**

(a) **Overview (continued)**

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 receivables from customers.

- Fund and other receivables

Fund and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

- Cash and cash equivalents

The Company held cash and cash equivalents of $2,611,600 at 31 March 2014 (2013: $1,924,433), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties with high credit ratings and no history of default.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

- Currency risk

The Company does not have any significant exposure to currency risk on sales, purchases and borrowings as they are denominated in the functional currency of the Company.

- **Interest rate risk**

The Company adopts a policy of ensuring that majority of its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

20. Financial risk management (continued)

(b) Equity management

The Company's net debt to adjusted equity ratio (exclude trust fund help by IPTO – note 10) at the end of the reporting period was as follows:

	2014	2013
	$	$
Total debt	8,413,814	5,415,676
Less: Trust fund held by IPTO	(8,046,762)	(5,323,351)
Less: Cash and cash equivalents	(2,611,600)	(1,924,433)
Net debt	(2,244,548)	(1,832,108)
Total equity	2,298,866	1,920,387
Add: subordinated debt instruments	-	-
Less: amounts accumulated in equity relating to cash flow hedges	-	-
Adjusted equity	2,298,866	1,920,387
Debt-to-adjusted equity ratio	NA	NA

There were no changes in the Company's approach to equity management during the year. The Company is not subject to externally imposed capital requirements.

21. Restricted fund

This consists of:

	2014	2013
	$	$
Financial Assistance Fund		
- Balance at beginning of year	-	-
- Transfer from accumulated fund	500,000	-
- Balance at end of year	500,000	-

During the year 2014, the management had transferred an amount of $500,000 from its Accumulated Fund to Financial Assistance Fund as per the Board Meeting on 26 July 2013. This restricted fund, which is to review annually, is to help lower income families with the initial sum set up trust and pay for their legal fees to appoint deputies for their special needs dependents.