



CSI & Co. PAC  
Audit  
Singapore

**SPECIAL NEEDS TRUST COMPANY LIMITED**

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

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

Company Reg No: 200812120W

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**SPECIAL NEEDS TRUST COMPANY LIMITED**

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**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of Special Needs Trust Company Limited (the "Company") for the financial year ended 31 March 2017.

In the opinion of the directors,

- (a) the financial statements set out on pages 6 to 30 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in funds, 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.

**Directors**

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

Chee Yoh Chuang  
Chua Yeow Hooi  
Conrad Melville Campos  
Chng Ho Kiat  
Dr Balbir Singh  
Lee Chak Meng  
Lim Cheng Teck  
Quek Soo Hoon  
Yeap Soon Aun  
Lim Pin  
Dr Tang Hang Wu  
Tina Hung @ Ong Geok Tin  
Beck Gek Suan Charlotte

Under Article 10 of its Memorandum of Association, the members of the Company guarantee to contribute a sum of \$10 to the assets of the Company in the event of it being wound up. The members of the Company are Lee Chak Meng, Conrad Melville Campos and Chew Hock Yong.

**Directors' interests**

Neither at the end of nor at any time during the financial 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.

**Share options**

The Company is limited by guarantee and has no issued share capital.

**Auditors**

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

On behalf of the Board of Directors,



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**Lim Pin**  
Director



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**Chua Yeow Hooi**  
Director

Date: 14 SEP 2017

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPECIAL NEEDS TRUST COMPANY LIMITED**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Special Needs Trust Company Limited (the "Charity"), which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Charity as at 31 March 2017 and of the financial performance, changes in funds and cash flows of the Charity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Charity 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 included in page 1 to 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and the governing board. Their responsibilities include overseeing the Charity's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity'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 Charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required to be kept by the Charity have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Charity has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

*CSI & Co. PAC*

**CSI & Co. PAC**  
Public Accountants and  
Chartered Accountants  
Singapore

Date: 14 SEP 2017

**SPECIAL NEEDS TRUST COMPANY LIMITED**

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**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$ (Reclassified)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	98,103	173,551
Trust amount held by Public Trustee Office	6	18,190,549	13,789,786
		18,288,652	13,963,337
<b>Current assets</b>			
Other receivables	7	24,641	40,831
Cash and cash equivalents	8	4,857,721	4,221,854
		4,882,362	4,262,685
<b>Total assets</b>		<b>23,171,014</b>	<b>18,226,022</b>
<b>FUND AND LIABILITIES</b>			
<b>Unrestricted Fund</b>			
Accumulated Fund		3,306,182	2,930,872
<b>Restricted Funds</b>			
Financial Assistance Fund	9	672,938	750,408
Care & Share Fund	10	219,235	122,545
<b>Total Funds</b>		<b>4,198,355</b>	<b>3,803,825</b>
<b>Non-current liabilities</b>			
SNTC trust fund due to Principals	11	18,190,549	13,789,786
<b>Current liabilities</b>			
Other payables	12	602,887	488,881
Provisions	13	179,223	143,530
<b>Total current liabilities</b>		<b>782,110</b>	<b>632,411</b>
<b>Total liabilities</b>		<b>18,972,659</b>	<b>14,422,197</b>
<b>Total equity and liabilities</b>		<b>23,171,014</b>	<b>18,226,022</b>

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 2017**

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Revenue	14	10,060	9,260
Other income	14	<u>1,984,611</u>	<u>2,253,278</u>
		1,994,671	2,262,538
Costs and expenses			
Depreciation	5	<u>77,558</u>	<u>58,436</u>
Employee benefits expense	15	<u>1,041,287</u>	<u>925,291</u>
Other expenses	16	<u>481,296</u>	<u>187,413</u>
		<u>(1,600,141)</u>	<u>(1,171,140)</u>
<b>Surplus before tax</b>	17	<u>394,530</u>	<u>1,091,398</u>
Income tax expense	18	-	-
<b>SURPLUS FOR THE YEAR</b>		<u>394,530</u>	<u>1,091,398</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>394,530</u></u>	<u><u>1,091,398</u></u>

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

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	<u>Accumulated Fund</u> \$ (Reclassified)	<u>Financial Assistance Fund</u> \$ (Reclassified)	<u>Care &amp; Share Fund</u> \$	<u>Total</u> \$
Balance at 31 March 2015		2,209,892	500,000	2,535	2,712,427
Total comprehensive income for the year		1,091,398	-	-	1,091,398
Transfer of fund to Care & Share Fund	10	(120,010)	-	120,010	-
Transfer of fund to Financial Assistance Fund	23	(250,408)	250,408	-	-
<b>Balance at 31 March 2016</b>		<b>2,930,872</b>	<b>750,408</b>	<b>122,545</b>	<b>3,803,825</b>
Total comprehensive income for the year		394,530	-	-	394,530
Transfer of fund to Care & Share Fund	10	(96,690)	-	96,690	-
Transfer of fund from Financial Assistance Fund	9	77,470	(77,470)	-	-
<b>Balance at 31 March 2017</b>		<b>3,306,182</b>	<b>672,938</b>	<b>219,235</b>	<b>4,198,355</b>

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

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
<b>Cash flows from operating activities</b>			
Surplus before tax		394,530	1,091,398
Adjustments for:			
Depreciation	5	<u>77,558</u>	<u>58,436</u>
		472,088	1,149,834
(Increase)/Decrease in:			
Fund receivables		(450)	(3,209)
Other receivables		16,640	151,127
Increase/(Decrease) in:			
Other payables		<u>149,699</u>	<u>470,659</u>
		165,889	618,577
<i>Net cash from/(used in) operating activities</i>		<u>637,977</u>	<u>1,768,411</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	<u>(2,110)</u>	<u>(212,493)</u>
<i>Net cash from/(used in) investing activities</i>		<u>(2,110)</u>	<u>(212,493)</u>
<b>Cash flows from financing activities</b>			
<i>Net cash from/(used in) financing activities</i>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>635,867</u>	<u>1,555,918</u>
Cash and cash equivalents at beginning of year	8	4,221,854	2,665,936
<b>Cash and cash equivalents at end of year</b>	<b>8</b>	<u><u>4,857,721</u></u>	<u><u>4,221,854</u></u>

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

**SPECIAL NEEDS TRUST COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 SEP 2017.

**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, #10-01 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 13 – provisions

## 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

#### *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.

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.

### 3. Significant accounting policies (continued)

#### (b) Financial instruments (continued)

##### (i) Non-derivative financial assets (continued)

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 other 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.

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.

### 3. Significant accounting policies (continued)

#### (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.

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

Computer	3 years
Furniture and fittings	3 years
Renovation	3 years

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

### 3. Significant accounting policies (continued)

#### (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.

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.



### 3. Significant accounting policies (continued)

#### (e) Impairment (continued)

##### (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.

#### (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.

### 3. Significant accounting policies (continued)

#### (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.

#### (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.

### 3. Significant accounting policies (continued)

#### (l) Income tax expense

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

#### (m) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have any material effect on the financial statements.

#### (n) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 116 Leases	1 January 2019

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, FRS 109 and FRS 116 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

The new standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

The Company plans to adopt the new standard on the required effective date using the full retrospective method and apply all the practical expedients available for full retrospective approach under FRS 115.

### 3. Significant accounting policies (continued)

#### (n) Standards issued but not yet effective (continued)

##### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cashflow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

##### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 1 January 2019.

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

### 4. The Company

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

### 5. Property, plant and equipment

<u>2017</u>	<u>Computer</u> \$	<u>Furniture &amp; Fittings</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<b>Cost or Valuation</b>				
Balance at beginning year:				
At cost	138,500	5,031	191,645	335,176
At valuation	-	-	-	-
	<u>138,500</u>	<u>5,031</u>	<u>191,645</u>	<u>335,176</u>
- Additions	2,110	-	-	2,110
- Disposals	-	-	-	-
Balance at end of year	<u>140,610</u>	<u>5,031</u>	<u>191,645</u>	<u>337,286</u>
<b>Accumulated Depreciation and Impairment</b>				
Balance at beginning of year:	113,412	302	47,911	161,625
- Charge for the year	11,999	1,677	63,882	77,558
- Disposals	-	-	-	-
- Impairment loss	-	-	-	-
Balance at end of year	<u>125,411</u>	<u>1,979</u>	<u>111,793</u>	<u>239,183</u>
<b>Net Book Value</b>				
At end of year	<u>15,199</u>	<u>3,052</u>	<u>79,852</u>	<u>98,103</u>
At beginning of year	<u>25,088</u>	<u>4,729</u>	<u>143,734</u>	<u>173,551</u>

5. **Property, plant and equipment (continued)**

<u>2016</u>	<u>Computer</u> \$	Furniture & <u>Fittings</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<b>Cost or Valuation</b>				
Balance at beginning year:				
At cost	127,012	-	-	127,012
At valuation	-	-	-	-
	<u>127,012</u>	<u>-</u>	<u>-</u>	<u>127,012</u>
- Additions	15,817	5,031	191,645	212,493
- Disposals	(4,329)	-	-	(4,329)
Balance at end of year	<u><u>138,500</u></u>	<u><u>5,031</u></u>	<u><u>191,645</u></u>	<u><u>335,176</u></u>
<b>Accumulated Depreciation and Impairment</b>				
Balance at beginning of year:	107,518	-	-	107,518
- Charge for the year	10,223	302	47,911	58,436
- Disposals	(4,329)	-	-	(4,329)
- Impairment loss	-	-	-	-
Balance at end of year	<u><u>113,412</u></u>	<u><u>302</u></u>	<u><u>47,911</u></u>	<u><u>161,625</u></u>
<b>Net Book Value</b>				
At end of year	<u><u>25,088</u></u>	<u><u>4,729</u></u>	<u><u>143,734</u></u>	<u><u>173,551</u></u>
At beginning of year	<u><u>19,494</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>19,494</u></u>

During the year, the Company acquired property, plant and equipment with an aggregate cost of \$2,110 (2016: \$212,493). Cash payments of \$2,110 (2016: \$212,493) were made for purchase of property, plant and equipment.

6. **Trust amount held by Public Trustee Office**

Trust funds under the Company's SNTC Trusteeship Scheme amounting to \$18,190,549 (2016: \$13,789,786) are invested and managed by the Public Trustee – Public Trustee's Office ('PTO'). 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 the Letter of Intent attached to the Trust Deed (note 11).

7. **Other receivables**

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Fund receivables		4,709	4,259
Other receivables		8,190	19,712
Deposits		11,514	11,514
Prepayments		228	5,346
<b>Total other receivables</b>		<u><u>24,641</u></u>	<u><u>40,831</u></u>
Prepayments		228	5,346
Loans and receivables	21	24,413	35,485
<b>Total other receivables</b>		<u><u>24,641</u></u>	<u><u>40,831</u></u>

The Company's exposure to credit and currency risks and impairment losses relating to loans and receivables are disclosed in note 21.

## 8. Cash and cash equivalents

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

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Cash on hand		500	500
Cash at bank		1,019,169	761,588
Fixed deposits		<u>3,838,052</u>	<u>3,459,766</u>
	21	<u><u>4,857,721</u></u>	<u><u>4,221,854</u></u>

The weighted average effective interest rate relating to cash at bank is 0.25% (2016: 0.218%) per annum and fixed deposits is 1.1% - 1.68% (2016: 1.33% - 1.58%) per annum. Interest rates reprice yearly. The maturity dates are 23 May 2017, 27 February 2018, 20 March 2018 and 21 March 2018 (2016: 11 May 2016, 23 May 2016, 26 August 2016, 14 September 2016, 17 September 2016 and 21 September 2016).

## 9. Financial Assistance fund

This consists of:

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$ (Reclassified)
Balance at beginning of year		750,408	500,000
Funds transferred from/(to) accumulated fund		-	141,922
Add: Donations			
- Tax deductible		2,320	93,560
- Non-tax deductible		210	29,926
		<u>2,530</u>	<u>265,408</u>
Less: Financial Assistance			
- Initial Trust Capital		<u>(80,000)</u>	<u>(15,000)</u>
	23	<u><u>(77,470)</u></u>	<u><u>250,408</u></u>
Balance at end of year		<u><u>672,938</u></u>	<u><u>750,408</u></u>

This restricted fund, which is to be reviewed 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.

**10. Care & Share fund**

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at beginning of the year	122,545	2,535
Add: Grant received for the year	96,690	317,390
	<u>219,235</u>	<u>319,925</u>
Less: Expenditure		
- Relocation of office	-	(197,275)
- Equipment	-	(105)
	<u>-</u>	<u>(197,380)</u>
Balance at end of the year	<u>219,235</u>	<u>122,545</u>

The Care & Share ("C&S") Fund is a national fund-raising and volunteerism movement for the social service sector, with the following objectives:

- (i) To bring the nation together to show care and concern for the less fortunate;
- (ii) To recognize contributions made by Volunteer Welfare Organisations (VWOs) over the years; and
- (iii) To invest in building capability in the social service sector to meet future needs beyond 2015.

The C&S is administered by National Council of Social Service (NCSS) on behalf of Ministry of Social and Family Development.

The Company's application for C&S matching grant was approved on 30 October 2014 and supported grant usages will be in capability and capacity building.

**11. SNTC Trust Fund due to Principals**

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at beginning of year	13,789,786	11,039,812
Add: Receipts	4,698,393	2,922,841
Less: Disbursements	(297,630)	(172,867)
Balance at end of year	<u>18,190,549</u>	<u>13,789,786</u>

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 (note 6).

## 12. Other payables

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Grant received in advance		530,686	462,056
Accruals		72,201	26,825
<b>Total other payables</b>		<b>602,887</b>	<b>488,881</b>
Grant received in advance		530,686	462,056
Other financial liabilities	21	72,201	26,825
<b>Total other payables</b>		<b>602,887</b>	<b>488,881</b>

Grant received in advance relates to funding received from Ministry of Social and Family Development for the first quarter (April to June) of the subsequent financial year.

The Company's exposure to currency and liquidity risk relating to other financial liabilities are disclosed in note 21.

## 13. Provisions

Movement in the following provisions are as follows:

	Unutilised		
	<u>Leave</u>	<u>Bonus</u>	<u>Total</u>
	\$	\$	\$
<b>2017</b>			
Balance at beginning of year	20,147	123,383	143,530
Provisions made during the year	8,790	150,286	159,076
Provisions used during the year	-	(123,383)	(123,383)
Balance at end of year	28,937	150,286	179,223
<b>2016</b>			
Balance at beginning of year	29,163	111,692	140,855
Provisions made during the year	-	123,383	123,383
Provisions used during the year	-	(111,692)	(111,692)
Provisions reversal during the year	(9,016)	-	(9,016)
Balance at end of year	20,147	123,383	143,530

Provision for unutilised leave was made on the unutilisation of staff leave balances as at year end based on the Company's annual leave policy.

Provision for bonus was made to reward the staff's performance. A standard rate is determined based on all staff's collective contribution to the success of the Company.



#### 14. Income

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

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Revenue</b>		
- rendering of services	10,060	9,260
<b>Other income</b>		
- interest	44,569	33,310
- grants	1,817,537	1,714,502
- grants (care & share)	96,690	317,390
- donations (tax deductible)	2,320	93,560
- donations (non-tax deductible)	210	29,926
- donations (donation-in-kind)	7,200	7,200
- others	16,085	57,390
	<u>1,984,611</u>	<u>2,253,278</u>
	<u>1,994,671</u>	<u>2,262,538</u>

#### 15. Employee benefits expense

	<u>2017</u>	<u>2016</u>
	\$	\$
Defined contribution plan	136,564	119,155
Salaries and bonus	895,933	806,136
Unutilised leave expenses	8,790	-
	<u>1,041,287</u>	<u>925,291</u>

#### 16. Other expenses

	<u>2017</u>	<u>2016</u>
	\$	\$
Communication	4,965	6,667
Financial assistance - Initial Trust Capital	80,000	15,000
Fund raising expenses	-	4,990
IT maintenance	24,065	21,220
Professional fees	8,025	13,942
Rental and service charges	85,265	84,914
Shared service expenses	-	8,333
Skills development levy	1,431	1,425
Staff benefits	8,928	6,443
Staff training and development	1,323	3,340
Staff - MSF secondment	230,168	-
Other administrative expenses, etc.	37,126	21,139
	<u>481,296</u>	<u>187,413</u>

## 17. Surplus for the year

The following items have been included in arriving at surplus for the year:

	<u>Note</u>	<u>2017</u> \$	<u>2016</u> \$
Depreciation	5	77,558	58,436
Operating lease expense		88,375	87,792
Employee benefits expense	15	1,041,287	925,291
Contributions to defined contribution plans, included in employee benefits expense	15	136,564	119,155
Fixed deposits interest earned		<u>(44,569)</u>	<u>(33,310)</u>

## 18. 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 has been granted charity (since 1 August 2008) and Institute of Public Character ("IPC") status (1 August 2016 - 31 July 2019).

## 19. Operating leases

### Leases as lessee

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

	<u>2017</u> \$	<u>2016</u> \$
Within one year	44,175	44,175
Between two to five years	32,601	76,776
More than five years	-	-
	<u>76,776</u>	<u>120,951</u>

The Company leases the following:

- (a) an office unit for a period of 3 years with an option to renew the lease after that date.
- (b) a copier for a period of 5 years with an option to renew the lease after that date.

## 20. Related party transactions

### (a) Significant transactions with related parties

There are no significant related party transactions during the year.

## 20. Related party transactions (continued)

### (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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Number of key management personnel in bands:		
\$50,001 to \$100,000	-	-
\$100,001 to \$150,000	<u>1</u>	<u>1</u>

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.

## 21. Financial instruments

### (a) Categories of financial instruments

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

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<b>Financial assets:</b>			
Loans and receivables	7	24,413	35,485
Cash and cash equivalents	8	<u>4,857,721</u>	<u>4,221,854</u>
		<u>4,882,134</u>	<u>4,257,339</u>
<b>Financial liabilities:</b>			
Other financial liabilities	12	<u>72,201</u>	<u>26,825</u>

### (b) Fair values of financial assets and financial liabilities

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

## 21. Financial instruments (continued)

### (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	
	<u>2017</u>	<u>2016</u>
	\$	\$
Loans and receivables	24,413	35,485
Cash and cash equivalents	4,857,721	4,221,854
	<u>4,882,134</u>	<u>4,257,339</u>

#### (ii) Impairment losses

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

	Gross	Impairment	Gross	Impairment
	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	\$	\$	\$	\$
Not past due	24,413	-	35,485	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 180 days	-	-	-	-
Past due 181 - 365 days	-	-	-	-
More than one year	-	-	-	-
	<u>24,413</u>	<u>-</u>	<u>35,485</u>	<u>-</u>

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

	Carrying amount	
	<u>2017</u>	<u>2016</u>
	\$	\$
At beginning of year	-	-
Impairment loss recognised	-	-
At end of year	<u>-</u>	<u>-</u>

Loans 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 2017, the Company does not have any collective impairment on its loans and receivables (2016: NIL).

## 21. Financial instruments (continued)

### (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 \$
<b>2017</b>						
Other financial liabilities	72,201	(72,201)	(72,201)	-	-	-
<b>2016</b>						
Other financial liabilities	26,825	(26,825)	(26,825)	-	-	-

### (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.

### (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	
		2017 \$	2016 \$
<b>(a) Fixed rate instruments</b>			
Financial assets			
- Fixed deposits	1.1 - 1.68 (2016: 1.33 - 1.58)	3,838,052	3,459,766
Financial liabilities		-	-
		<u>3,838,052</u>	<u>3,459,766</u>

#### (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.

## 22. 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.

#### **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 of fund 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 \$4,857,721 at 31 March 2017 (2016: \$4,221,854), 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.

## 22. Financial risk management (continued)

### (a) Overview (continued)

#### 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.

### (b) Equity management

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Total debt	18,972,659	14,422,197
Less: Trust amount held by PTO	(18,190,549)	(13,789,786)
Less: Cash and cash equivalents	(4,857,721)	(4,221,854)
	<u>(23,048,270)</u>	<u>(18,011,640)</u>
Net debt	(4,075,611)	(3,589,443)
Total equity	4,198,355	3,803,825
Add: subordinated debt instruments	-	-
Less: amounts accumulated in equity relating to cash flow hedges	-	-
Adjusted equity	<u>4,198,355</u>	<u>3,803,825</u>
Debt-to-adjusted equity ratio	<u>NA</u>	<u>NA</u>

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.

### 23. Comparative information

In year 2016, the Company transferred an amount of \$250,408 from Accumulated Fund to Financial Assistance Fund. The financial statements for year 2016 was restated retrospectively to correct this adjustment. The effect of the reclassification on those financial statements is summarised below.

Since the amounts are reclassification within the Funds in the statement of financial position, this reclassification did not have any effect on the total funds in the statement of financial position and statement of profit or loss and other comprehensive income. There is no effect in year 2017 or the opening balance of 1 April 2015.

The effect of the reclassification on these financial statements is summarized below:

	<u>As reclassified</u> \$	<u>As previously stated</u> \$	<u>Net effect</u> \$
<u>2016</u>			
<u>Statement of financial position</u>			
Decrease in Accumulated Fund	2,930,872	3,181,280	(250,408)
Increase in Financial Assistance Fund	750,408	500,000	250,408
	<u>3,681,280</u>	<u>3,681,280</u>	<u>-</u>