

Management Committee's Statement and
Audited Financial Statements

HAEMOPHILIA SOCIETY OF SINGAPORE

Charity Registration No.: 00374 &
Society UEN No.: S85SS0047A

30 JUNE 2016



HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

GENERAL INFORMATION

MANAGEMENT COMMITTEE

President	Dr. Gan Kim Loon
Vice President	Dr. Tan Hooi Hwa
Honorary Secretary	Wee Ai Choo Nee Lim
Honorary Treasurer	Lim Keok Kung Freddy

SECRETARY

Beh Thiam Hock

REGISTERED OFFICE

704 Bedok Reservoir Road
#01-3622
Singapore 470704

AUDITORS

TKNP International
Public Accountants and
Chartered Accountants
Singapore

PRINCIPAL BANKERS

DBS Bank Ltd
Malayan Banking Berhad
CIMB Bank Berhad

INDEX

	<u>PAGE</u>
<u>Statement by the management committee</u>	<u>1</u>
<u>Independent auditors' report</u>	<u>2</u>
<u>Statement of financial position</u>	<u>3</u>
<u>Statement of financial activities</u>	<u>4 - 5</u>
<u>Statement of changes in funds</u>	<u>6</u>
<u>Statement of cash flows</u>	<u>7</u>
<u>Notes to the financial statements</u>	<u>8 - 23</u>

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the members of the management committee, the accompanying statement of financial position, statement of financial activities, statement of changes in funds and statement of cash flows together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the society as at 30 June 2016 and of the financial activities of the society, changes in funds and cash flows of the society for the financial year ended 30 June 2016, and at the date of this statement, there are reasonable grounds to believe that the society will be able to pay its debts as and when they fall due.

The members of the management committee authorised these financial statements for issue as at the date of this statement.

On behalf of the Management Committee,



.....
Dr. Gan Kim Loon
President



.....
Wee Ai Choo Nee Lim
Honorary Secretary



.....
Lim Keok Kung Freddy
Honorary Treasurer

Singapore

Date: **01 SEP 2016**

**INDEPENDENT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAEMOPHILIA SOCIETY OF SINGAPORE

Report on the Financial Statements

We have audited the accompanying financial statements of Haemophilia Society of Singapore (the "society"), which comprise the statement of financial position as at 30 June 2016, and the statement of financial activities, statement of changes in funds 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 Charities Act, Cap 37, and Societies Act, Cap 311 (the "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 financial statements to maintain accountability of assets.

Auditors' 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 auditors' judgement, 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 auditors consider 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 Charities Act, Cap 37, and Societies Act, Cap 311 and Singapore Financial Reporting Standards and so as to give a true and fair view of the financial position of the society as at 30 June 2016 and of the financial activities, changes in funds and cash flows of the society for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



TKNP International
Public Accountants and
Chartered Accountants
Singapore



Kong Sik Chuen, CA (Singapore)
Partner (Signing Auditor)
Singapore
Date: **01 SEP 2016**

HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
ASSETS			
Non-current assets			
Property, plant and equipment	4	19	139
Current assets			
Cash and cash equivalents	5	1,202,633	1,194,853
Other receivables	6	60,420	-
		1,263,053	1,194,853
Total assets		<u>1,263,072</u>	<u>1,194,992</u>
LIABILITIES AND FUNDS			
Current liabilities			
Other payables	7	6,894	7,710
Deferred interest income		24,532	10,576
		31,426	18,286
Funds			
Unrestricted			
Haemophilia welfare fund	8	50,265	50,265
Dulcie Wilson scholarship fund	9	20,000	20,000
Accumulated fund		1,161,381	1,106,441
		1,231,646	1,176,706
Total liabilities and funds		<u>1,263,072</u>	<u>1,194,992</u>

See accompanying notes to the financial statements

HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note	2016				2015				
	Unrestricted Funds \$	Restricted Funds \$	Endowment Funds \$	Total \$	Unrestricted Funds \$	Restricted Funds \$	Endowment Funds \$	Total \$	
<u>Incoming resources</u>									
<i>Incoming resources from generated funds</i>									
- Voluntary income	10	243,127	-	-	243,127	202,338	-	-	202,338
- Interest income	11	16,870	-	-	16,870	8,710	-	-	8,710
Total incoming resources		259,997	-	-	259,997	211,048	-	-	211,048
<u>Resources expended</u>									
<i>Cost of generating voluntary funds</i>									
- Depreciation		120	-	-	120	120	-	-	120
- Charity event		10,498	-	-	10,498	1,014	-	-	1,014
- Entertainment and refreshment		1,562	-	-	1,562	933	-	-	933
- General expenses		-	-	-	-	245	-	-	245
- IT related costs		534	-	-	534	534	-	-	534
- Miscellaneous		1,205	-	-	1,205	196	-	-	196
- Postage and stationery		2,814	-	-	2,814	7,817	-	-	7,817
- Project calendar		4,560	-	-	4,560	-	-	-	-
		21,293	-	-	21,293	10,859	-	-	10,859
<i>Cost of charitable activities</i>									
- Medical fee subsidies to members		280	-	-	280	4,800	-	-	4,800
- Membership fees - NCSS		54	-	-	54	54	-	-	54
- Membership fees - WFH		361	-	-	361	364	-	-	364
- Sub-total carried forward		695	-	-	695	5,218	-	-	5,218

HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Note	2016				2015			
	Unrestricted Funds \$	Restricted Funds \$	Endowment Funds \$	Total \$	Unrestricted Funds \$	Restricted Funds \$	Endowment Funds \$	Total \$
- Sub-total brought forward	695	-	-	695	5,218	-	-	5,218
- Subsidy of treatment – NUH Endowment Fund	90,742	-	-	90,742	93,270	-	-	93,270
- Subsidy of treatment – SGH Endowment Fund	43,808	-	-	43,808	42,720	-	-	42,720
- Subsidy of treatment – KKH Endowment Fund	35,313	-	-	35,313	57,282	-	-	57,282
- Welfare – outing for members	1,440	-	-	1,440	5,064	-	-	5,064
- Welfare – merit award	3,000	-	-	3,000	1,900	-	-	1,900
	174,998	-	-	174,998	205,454	-	-	205,454
<i>Governance costs</i>								
- Accountancy fees	5,100	-	-	5,100	1,600	-	-	1,600
- Auditors' remuneration	3,000	-	-	3,000	3,000	-	-	3,000
	8,100	-	-	8,100	4,600	-	-	4,600
<i>Finance cost</i>	666	-	-	666	880	-	-	880
Total resources expended	205,057	-	-	205,057	221,793	-	-	221,793
Net surplus/(deficit) resources	54,940	-	-	54,940	(10,745)	-	-	(10,745)

See accompanying notes to the financial statements

HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Haemophilia welfare fund	Dulcie Wilson scholarship fund	Accumulated fund	Total
	\$	\$	\$	\$
As at 1 July 2014	50,265	20,000	1,117,186	1,187,451
Net (deficit) for the year	-	-	(10,745)	(10,745)
As at 1 July 2015	50,265	20,000	1,106,441	1,176,706
Net surplus for the year	-	-	54,940	54,940
As at 30 June 2016	50,265	20,000	1,161,381	1,231,646

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Cash flows from operating activities			
Surplus/(Deficit) for the year transferred to accumulated fund		54,940	(10,745)
Adjustment for:			
Depreciation	4	120	120
Interest income	11	(16,870)	(8,710)
Operating surplus/(deficit) before working capital changes		38,190	(19,335)
Changes in working capital:			
(Increase)/Decrease in other receivables		(60,420)	1,600
Decrease in grant receivables		-	21,400
Increase in deferred interest income		13,956	8,776
(Decrease)/Increase in other payables		(816)	2,910
Cash (used in)/generated from operations		(9,090)	15,351
Interest received		16,870	8,710
Net cash from operating activities		<u>7,780</u>	<u>24,061</u>
Net increase in cash and cash equivalents		7,780	24,061
Cash and cash equivalents at beginning of year		1,194,853	1,170,792
Cash and cash equivalents at end of year	5	<u>1,202,633</u>	<u>1,194,853</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

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

1. CORPORATE INFORMATION

Haemophilia Society of Singapore (the "society") is domiciled and registered in Singapore with the Registrar of Societies. Its registered office is located at 704 Bedok Reservoir Road #01-3622 Singapore 470704. It is also registered as a Charity under the Charities Act, 1994 (Charity Registration No.00374).

The objects of the society are to look after the welfare of people with haemophilia and their families through giving help and support.

The society has been accorded Institution of a Public Character ("IPC") status for the period from 1 January 2015 to 31 December 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF PREPARATION

Pursuant to the Accounting Standard Act 2007, the financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") and operating rules and practices of the Ministry of Health's Health Endowment Fund Scheme. They are also subject to the provisions of the Charities Act, Cap 311.

The financial statements are presented in Singapore dollar ("S\$"), which is also the functional currency of the society.

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The accounting policies have been consistently applied by the society, except that during the year the society has adopted the new and revised FRS that are mandatory from the effective date stated in the relevant FRS. The adoption of these FRS did not result in any significant changes in the accounting policies.

2.2) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the society and the cost of the item can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2) PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Subsequent to initial recognition, all other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the society recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Equipment	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.3) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the society's non-financial assets which include property, plant and equipment are reviewed at the end of each financial year to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment assessment for an asset is required, the society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is assessed based on the higher of its fair value less costs to sell and its value in use as considered appropriate and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in profit or loss as 'impairment losses' except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4) FINANCIAL ASSETS

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the statement of financial position when, and only when, the society becomes a party to the contractual provisions of the financial instrument.

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

All regular way purchase and sale of financial assets are recognised or derecognised on the trade date i.e., the date that the society commits to purchase or sell the asset. Regular way purchases or sales are purchase or sale of financial assets that require delivery of assets within the year generally established by regulation or convention in the marketplace concerned. At the end of the financial year, the society has only financial assets under loans and receivables, which consist of other receivables and cash and cash equivalents.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2.5) OTHER RECEIVABLES

Other receivables are classified and accounted for as loans and receivables. The accounting policy for this category of financial assets is stated in Note 2.4 to the financial statements.

Further details on the accounting policy for impairment of financial assets are stated in Note 2.7 to the financial statements.

2.6) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balance and short-term bank deposits.

Cash and cash equivalents in the statement of financial position are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7) IMPAIRMENT OF FINANCIAL ASSETS

The society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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

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

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

2.8) FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the society becomes a party to the contractual provision of the financial instrument. The society determines the classification of its financial liabilities at initial recognition.

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8) FINANCIAL LIABILITIES (CONT'D)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- *Financial liabilities at fair value through profit or loss*

The society has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

- *Other financial liabilities*

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

2.9) DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The society transfers the contractual rights to receive the cash flows of the financial asset; or
- The society has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the society has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the society's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the society could be required to repay.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10) FUNDS OF SOCIETY

The funds of a society comprise unrestricted income funds and restricted funds/special trust.

Unrestricted funds are expendable at the discretion of the governing board members in furtherance of the society's objectives. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the governing board members' discretion to apply the fund. Some governing board members have power to declare specific trusts over unrestricted funds. If such a power is available and is exercised, the assets affected will form a restricted fund, and the governing board members' discretion to apply the fund will be legally restricted. Unrestricted funds can be spent on the same purposes as restricted funds, for example, by spending more on a project for which a restricted grant has provided funding. Therefore, unrestricted funds may be transferred to meet any shortfall in a restricted fund.

A power of accumulation as stipulated explicitly in the governing instruments will allow governing board members to create or augment endowment funds (restricted capital funds) from income funds (restricted or unrestricted). Without this power, governing board members may not create endowment from income funds. Governing board members need to be aware that if they use income funds to erect, extend or improve a building on land that is a permanent endowment asset, then those income funds shall be treated as permanent endowment.

The governing board members may earmark part of the society's unrestricted funds to be used for particular purposes in the future. Such sums are described as "designated funds" and shall be accounted for as part of the society's unrestricted funds. The governing board members have the power to re-designate such funds with unrestricted funds. When a designation has been made at the reporting date, the amount of the designation may be adjusted subsequent to the period end if more accurate information becomes available.

2.11) INCOMING RESOURCES FROM GENERATING FUNDS

All incoming resources are included in the statement of financial activities to the extent that it is probable that the economic benefits will flow to the society and the amount can be reliably measured. No amounts are included for services donated by volunteers. Incoming resources from generated funds comprise:

Voluntary income

- (i) Donations
Donations are accounted for on an accrual basis when monies are received or pledged and collection is certain. Donations in kinds are taken up as income at their estimated values on the date of receipt.
- (ii) Donations in kind
Donations in kind are recognised based on an estimate of the fair value at the date of the receipt of the donation of the non-monetary asset or the grant of right to a monetary asset. The donation is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11) INCOMING RESOURCES FROM GENERATING FUNDS (CONT'D)

Interest income

Interest income from bank deposits is accrued on a time apportion basis using effective interest method.

Membership subscription income

Membership subscription income is recognised on an accrual basis.

2.12) RESOURCES EXPENDED

Expenditure is accounted for on an accrual basis.

Cost of generating voluntary income

The costs of generating voluntary income are those costs attributable to generating income for the society, which includes directly attributable overheads.

Cost of charitable activities

The charitable activities of the society flow from its vision and purpose. The primary charitable activities are care services provided to the destitute elderly.

2.13) GOVERNANCE COST

Governance costs are those incurred in compliance with constitutional and statutory requirement including related professional fees.

2.14) RELATED PARTY

A related party is a person or entity that is related to the society and includes:

- (a) A person or a close member of that person's family which is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14) RELATED PARTY (CONT'D)

- (b) An entity which is related to a reporting entity if any of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related parties in these financial statements refer to parties related to the committee members and family members, and key management personnel.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the society.

2.15) DEFERRED INTEREST INCOME

Deferred interest income refers to interest received in advance on fixed deposits placed with the banking institutions.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires management to exercise judgements and requires the use of estimates and assumptions. These judgements affect the application of the society's accounting policies. The use of estimates and assumptions affect the reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1) Judgements made in applying accounting policies

The management is of the opinion that there are no significant judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of loans and receivables

The society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the society's loans and receivables as at the end of the financial year is disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

4. PROPERTY, PLANT AND EQUIPMENT

	<u>Equipment</u> \$	<u>Total</u> \$
Cost:		
At 01.07.2014	599	599
Additions	-	-
Disposals	-	-
At 01.07.2015	599	599
Additions	-	-
Disposals	-	-
At 30.06.2016	599	599
Accumulated depreciation:		
At 01.07.2014	340	340
Charge for the year	120	120
Disposals	-	-
At 01.07.2015	460	460
Charge for the year	120	120
Disposals	-	-
At 30.06.2016	580	580
Net book value:		
As at 30 June 2016	19	19
As at 30 June 2015	139	139

5. CASH AND CASH EQUIVALENTS

	<u>2016</u> \$	<u>2015</u> \$
Cash at bank	12,275	67,263
Bank deposits	1,190,358	1,127,590
	<u>1,202,633</u>	<u>1,194,853</u>

Cash and cash equivalents are denominated in Singapore dollar.

The society places cash surpluses in short term deposits usually for a period of 3 months to two years depending on the immediate cash requirements of the society. The interest rate as at 30 June 2016 for the society are ranged from 1.25% - 1.55% (2015: 0.7% - 1.1%) per annum.

The management committee can terminate the short-term bank deposits at any time before maturity date.

As at 30 June 2016, the carrying amount of cash and cash equivalents approximates its fair value.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

6. OTHER RECEIVABLES

	<u>2016</u> \$	<u>2015</u> \$
Deposit receivables	60,420	-

Other receivables are denominated in Singapore dollar.

As at 30 June 2016, the carrying amount of other receivables approximates its fair value.

7. OTHER PAYABLES

	<u>2016</u> \$	<u>2015</u> \$
Accruals	3,054	3,000
Subscription received in advance	3,840	4,710
	<u>6,894</u>	<u>7,710</u>

Other payables are denominated in Singapore dollar.

As at 30 June 2016, the carrying amount of other payables approximates its fair value.

8. HAEMOPHILIA WELFARE FUND

	<u>2016</u> \$	<u>2015</u> \$
Balance at beginning and end of the year	50,265	50,265

The welfare fund was established from the receipt of the initial donation of \$25,000 from National Council of Social Service in 1990. This welfare fund is used to assist members who have financial difficulties. Assistance rendered which ranges from \$25 to \$2,500 and are reviewed on a case by case basis by the management committee.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

9. DULCIE WILSON SCHOLARSHIP FUND

	<u>2016</u> \$	<u>2015</u> \$
Transfer from general fund	<u>20,000</u>	<u>20,000</u>

The scholarship fund was established in memory of Mrs. Dulcie Wilson. The scholarship fund is opened to all members of the society who has haemophilia and pursuing studies in a recognised local tertiary institution. Each year, the fund would award three scholarships of \$1,000 each for each academic year.

10. VOLUNTARY INCOME

	<u>2016</u> \$	<u>2015</u> \$
Donations received	231,615	186,656
Membership subscription	3,970	4,370
Other collections/receipts	7,542	11,312
	<u>243,127</u>	<u>202,338</u>

During the financial year, the society issues tax exempt receipts for donations collected amounting to \$194,088 (2015: \$73,122).

11. INTEREST INCOME

	<u>2016</u> \$	<u>2015</u> \$
Interest from bank deposits	<u>16,870</u>	<u>8,710</u>

12. TAXATION

The society is exempt from income tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

13. RELATED PARTY TRANSACTIONS

A related party includes the management committee and key management of the society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the president and the direct reporting senior officers.

The management committee, or people connected with them, has not received remuneration, or other benefits, from the society for which they are responsible, or from institutions connected with the society.

There is no claim by the management committee for services provided to the society, either by reimbursement to the management committee or by providing the management committee with an allowance or by direct payment to third party.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

13. RELATED PARTY TRANSACTIONS (CONT'D)

Conflict of interest

All management committees, sub-committees and staff member of the society are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and not declaring that could potentially result in conflict of interest. When a conflict of situation arises, the member or staff shall abstain from participating in the discussion, decision-making and voting on the matters.

14. FINANCIAL RISK MANAGEMENT

Risk management is integral to the whole business of the society. The society has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The management continually monitors the society's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the society's activities.

The main risks faced by the society is credit risk that arise in the normal course of business.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The society's exposure to credit risks arises primarily from other financial assets and the society minimises credit risks by dealing exclusively with counterparties of high credit rating.

There is no other significant concentration of credit risk.

The maximum exposure to credit risk for the society is as follows:

	<u>2016</u> \$	<u>2015</u> \$
Cash and cash equivalents	1,202,633	1,194,853
Other receivables	60,420	-
Total credit exposure	<u>1,263,053</u>	<u>1,194,853</u>

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with Society.

Financial assets that are either past due and/or impaired

There is no class of financial assets that are either past due and / or impaired.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The society classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 – Quoted price (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., the prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate the value.

Cash and cash equivalents, other receivables and other payables

The carrying amounts approximate their fair values due to short-term nature of these balances.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

16. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Loans and receivables

	<u>2016</u>	<u>Fair values</u>	<u>2015</u>
	\$		\$
Cash and cash equivalents	1,202,633		1,194,853
Other receivables (excluding prepayments)	60,420		-
	<u>1,263,053</u>		<u>1,194,853</u>

Financial liabilities measured at amortised cost

	<u>2016</u>	<u>Fair values</u>	<u>2015</u>
	\$		\$
Other payables	6,894		7,710
Deferred interest income	24,532		10,576
	<u>31,426</u>		<u>18,286</u>

17. RESERVES POLICY

The primary objective in the management of the society's reserves is to ensure that it maintains strong and healthy capital ratios in order to support its operations and future growth.

The society targets to maintain an optimum level of general fund which is equivalent to five years of its budgeted expenditures relating to the operations of its activity centres. The society regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the society and capital efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditures. The reserves policy will be reviewed at least once a year or as and when necessary.

The management and investment committee closely monitor the investment of surplus funds and reserves. The investment committee provides strategic direction on the long term financial and assets development of the Association.

In addition, the society also maintains Haemophilia Welfare Fund and Dulcie Wilson Scholarship Fund are disclosed in Note 8 and Note 9 to the financial statements respectively.

The society is not subject to externally imposed capital requirements.

There were no changes to the society's approach to reserve management during the year.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2016

18. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning after 1 July 2015 or later periods and which the society has not early adopted in preparing these financial statements. The society's assessment of the impact of adopting those standards, amendments and interpretations does not result in any significant impact on the society's financial statements.

*Effective for annual periods
beginning on or after*

Amendments to FRS 16 and FRS 38: Classification of Improvements to FRSS (November 2014)	1 January 2016
Amendments to FRS 107 <i>Financial Instruments: Disclosures</i> Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 1: Disclosure Initiative	1 January 2016

19. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the society and for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the management committee as at the date of the Statement by the management committee.

THE FOLLOWING SCHEDULES DO NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374 & Society UEN No.: S85SS0047A)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016

	<u>2016</u> \$	<u>2015</u> \$
Voluntary income		
Donations received	231,615	186,656
Membership subscription	3,970	4,370
Other collections/receipts	7,542	11,312
	<u>243,127</u>	<u>202,338</u>
Other income		
Interest from bank deposits	16,870	8,710
	<u>259,997</u>	<u>211,048</u>
Total income		
	<u>259,997</u>	<u>211,048</u>
Administrative expenses		
Accountancy fees	5,100	1,600
Auditors' remuneration	3,000	3,000
Bank charges	666	880
Charity event	10,498	1,014
Depreciation	120	120
Entertainment and refreshment	1,562	933
General expenses	-	245
IT related costs	534	534
Medical fees subsidies to members	280	4,800
Membership fees – NCSS	54	54
Membership fees – WFH	361	364
Miscellaneous	1,205	196
Postage and stationery	2,814	7,817
Project calendar	4,560	-
Subsidy of treatment – NUH Endowment Fund	90,742	93,270
Subsidy of treatment – SGH Endowment Fund	43,808	42,720
Subsidy of treatment – KKH Endowment Fund	35,313	57,282
Welfare – Outing for members	1,440	5,064
Welfare – Merit award	3,000	1,900
	<u>(205,057)</u>	<u>(221,793)</u>
Surplus/(Deficit) of income over expenditure for the year transferred to accumulated fund	<u>54,940</u>	<u>(10,745)</u>

This statement is for management information only and does not form part of the financial statements of the society.