

Statement by Management Committee and
Audited Financial Statements

HAEMOPHILIA SOCIETY OF SINGAPORE

(Charity Registration No.: 00374)
(Society Registration No.: S85SS0047A)

30 JUNE 2018



GENERAL INFORMATION

MANAGEMENT COMMITTEE

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

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

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HAEMOPHILIA SOCIETY OF SINGAPORE
(Charity Registration No.: 00374)
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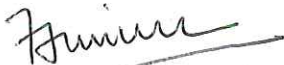
STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the management committee members, the financial statements of the Society are drawn up so as to give a true and fair view of the financial position of the Society as at 30 June 2018, financial performance, changes in funds and cash flows of the Society for the financial year ended on that date, 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.

On behalf of the Management Committee,



Dr. Gan Kim Loon
President



Lim Keok Kung Freddy
Honorary Secretary



Wee Ai Choo Nee Lim
Honorary Treasurer

Date: 8 AUGUST, 2018

**INDEPENDENT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Haemophilia Society of Singapore ("the Society"), which comprise of statement of financial position of the Society as at 30 June 2018, the statement of financial activities, changes in funds and cash flows of the Society for the year then ended, and notes to the financial statement, 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 Charities Act, Cap 37 and Societies Act, Cap 311 (collectively known as the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 30 June 2018 and of the financial performance, changes in funds and cash flows of the Society 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 Society 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 Statement by Management Committee set out on page 1.

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 the fact, we have nothing to report in this regard.

Responsibilities of Management and Management Committee for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAEMOPHILIA SOCIETY OF SINGAPORE (CONT'D)

Responsibilities of Management and Management Committee for the Financial Statements (Cont'd)

The management committee members' responsibilities include overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Society'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 Society'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 Society 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 management committee members 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.

INDEPENDENT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAEMOPHILIA SOCIETY OF SINGAPORE (CONT'D)

Report on Other Legal and Regulatory Requirements

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

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

- (a) the use of donation money was not in accordance with its objectives of the Society as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the fund-raising appeals conducted by the Society during the financial year ended 30 June 2018 have not been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Act and proper accounts and other records have been kept of the fundraising appeals; and
- (c) the Society have not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations

The engagement partner on the audit resulting in this independent auditors' report is Ong Lien Wan.



TKNP International
Public Accountants and
Chartered Accountants
Singapore



Date: 08 AUG 2018

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
ASSETS			
Non-current asset			
Property, plant and equipment	8	-	-
Current assets			
Cash and cash equivalents	9	1,428,239	1,242,648
Total assets		<u>1,428,239</u>	<u>1,242,648</u>
LIABILITIES AND FUNDS			
LIABILITIES			
Current liabilities			
Deferred interest income		11,321	19,528
Other payables	10	35,387	5,130
		<u>46,708</u>	<u>24,658</u>
FUNDS			
Unrestricted funds			
Accumulated fund		1,311,266	1,147,725
Haemophilia Welfare fund	11	50,265	50,265
Dulcie Wilson Scholarship fund	12	20,000	20,000
		<u>1,381,531</u>	<u>1,217,990</u>
Total liabilities and funds		<u>1,428,239</u>	<u>1,242,648</u>

See accompanying notes to the financial statements.

HAEMOPHILIA SOCIETY OF SINGAPORE

(Charity Registration No.: 00374)

(Society Registration No.: S85SS0047A)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
<u>Income</u>			
Income from generated funds			
Voluntary income	4	401,417	210,434
Activities for generating funds		9,235	23,438
Investment income	5	30,643	10,128
Income from charitable activities		3,900	3,930
Total income		<u>445,195</u>	<u>247,930</u>
<u>Expenditures</u>			
Cost of generating funds	6	55,556	41,918
Charitable activities	7	218,164	212,454
Government cost		6,600	6,500
Finance cost		1,334	714
Total expenditures		<u>281,654</u>	<u>261,586</u>
Surplus / (deficit) before tax		163,541	(13,656)
Income tax expense	13	-	-
Surplus / (deficit) for the year, representing total comprehensive income / (loss) for the year		<u>163,541</u>	<u>(13,656)</u>

See accompanying notes to the financial statements.

HAEMOPHILIA SOCIETY OF SINGAPORE

(Charity Registration No.: 00374)

(Society Registration No.: S85SS0047A)

STATEMENT OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Accumulated fund	Haemophilia Welfare fund	Dulcie Wilson Scholarship fund	Total
	S\$	S\$	S\$	S\$
At 1 July 2016	1,161,381	50,265	20,000	1,231,646
(Deficit) for the year, representing total comprehensive (loss) for the year	(13,656)	-	-	(13,656)
At 30 June 2017	1,147,725	50,265	20,000	1,217,990
At 1 July 2017	1,147,725	50,265	20,000	1,217,990
Surplus for the year, representing total comprehensive income for the year	163,541	-	-	163,541
At 30 June 2018	1,311,266	50,265	20,000	1,381,531

See accompanying notes to the financial statements.

HAEMOPHILIA SOCIETY OF SINGAPORE

(Charity Registration No.: 00374)

(Society Registration No.: S85SS0047A)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
Cash flows from operating activities			
Surplus / (deficit) before tax		163,541	(13,656)
Adjustments for:			
Fixed deposit interest	5	(30,643)	(10,128)
Depreciation of property, plant and equipment	8	-	19
Operating surplus / (deficit) before working capital changes		132,898	(23,765)
Changes in working capital:			
Decrease in other receivables		-	60,420
Increase / (decrease) in other payables		30,257	(1,764)
(Decrease) in deferred interest income		(8,207)	(5,004)
Net cash flows generated from operating activities		<u>154,948</u>	<u>29,887</u>
Cash flows from investing activities			
Fixed deposit interest		30,643	10,128
(Increase) in fixed deposit		(121,021)	(2,185)
Net cash flows (used in) / generated from investing activities		<u>(90,378)</u>	<u>7,943</u>
Net increase in cash and cash equivalents		64,570	37,830
Cash and cash equivalents at beginning of financial year		<u>50,105</u>	<u>12,275</u>
Cash and cash equivalents at end of financial year	9	<u><u>114,675</u></u>	<u><u>50,105</u></u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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 under the Societies Act, Chapter 311. The Society is a charity registered under the Commissioner of Charities, the Charities Act, Chapter 37. The registered office is at 704 Bedok Reservoir Road #01-3622, Singapore 470704.

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 is being accorded Institution of a Public Character ("IPC") status for the period from 1 January 2018 to 31 December 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1) BASIS OF PREPARATION

The financial statements of the Society have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS") and operating risks and practices of the Ministry of Health's Health Endowment Fund Scheme. They are also subject to the provision 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.

During the financial year, the Society has adopted the new and revised FRS that are relevant and mandatory for the current financial year. The adoption of these FRS did not result in any significant changes in the accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2) PROPERTY, PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attribute to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is included as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<i>Useful life</i>
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 useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

2.3) IMPAIRMENT OF NON - FINANCIAL ASSETS

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4) FINANCIAL ASSETS

Initial recognition and measurement

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

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.

Subsequent measurement

Loan and receivables

Non-derivative 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, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

Loans and receivables comprise of cash and cash equivalents.

Cash and cash equivalents comprise of fixed deposits and cash at bank.

De-recognition

Financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5) 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 assets 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 assets.

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

2.6) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise fixed deposits and cash at bank that are subjected to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liability comprise of other payables.

De-recognition

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

2.8) FUNDS

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8) FUNDS (CONT'D)

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.

2.9) INCOME RECOGNITION

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Society's net assets.

The following factors must also be met before income is recognised:

- Entitlement - the Society has control over the rights or other access to the resource, enabling the Society to determine its future application;
- Certainty - it is probable that the income will be received; and
- Measurement - the amount of the income can be measured by the Society with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

Donations

Donations are recognised when received. Income recognition is only deferred when the donor specifies that the donations can only be used in future accounting periods or the donor has imposed certain conditions that must be met before the Society has unconditional entitlement.

Grants

Grants are not recognised until there is reasonable assurance that the grant will be received and all conditions attached to it have been met.

Membership subscription

Membership subscription is recognised on accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9) INCOME RECOGNITION (CONT'D)

Interest income

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

2.10) EXPENDITURES

Expenditure are recognised in the statement of financial activities once the goods or services have been received unless the expenditure qualifies for capitalisation as non-current assets. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided. Expenditures in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities and governance cost.

Cost of generating funds

The costs of generating funds are those costs attributable to generating income for the Society, which includes direct attributable overheads.

Cost of charitable activities

All resources applied in undertaking activities to meet the Society's charitable objectives are classified under cost of charitable activities. The primary charitable activities are to assist with treatment cost to haemophilia members by providing subsidies for treatment costs at three local government hospitals. Additionally, the Society initiated Merit Award Programme to encourage young members in school to excel in their studies. These awards are in monetary terms, ranging from \$200 to \$600 depending on their education levels.

Government cost

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

2.11) DEFERRED INTEREST INCOME

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12) 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 the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a member of the key management personnel of the Society or of parent of the Society.
- (b) An entity which is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same Society (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 Society 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 Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society.
 - (vi) The entity is controlled or jointly controlled by a person identified (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

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 period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

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 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

4. VOLUNTARY INCOME

	<u>2018</u> S\$	<u>2017</u> S\$
Donations	401,417	210,434

During the financial year, the Society issued tax exempt receipts for donation collected amounting to S\$362,090 (2017: S\$193,005).

5. INVESTMENT INCOME

	<u>2018</u> S\$	<u>2017</u> S\$
Fixed deposit interest	30,643	10,128

6. COST OF GENERATING FUNDS

	<u>2018</u> S\$	<u>2017</u> S\$
Charity event	42,821	22,814
Depreciation of property, plant and equipment	-	19
IT related cost	6,930	534
Entertainment and refreshment	1,330	1,975
Fundraising event	-	12,848
Gift token of appreciation	-	776
Miscellaneous expenses	1,454	512
Postage and stationery	3,021	2,440
	<u>55,556</u>	<u>41,918</u>

7. CHARITABLE ACTIVITIES

	<u>2018</u> S\$	<u>2017</u> S\$
Medical fees subsidised	1,200	-
Membership fee – National Council of Social Service	107	-
Membership fee – World Federation of Haemophilia	289	372
Cost of treatment subsidised under three local hospitals:		
- National University Hospital	100,136	103,832
- Singapore General Hospital	50,190	64,612
- KK Women's and Children's Hospital	62,362	40,082
Members' welfare activities	3,880	-
Merit awards programme	-	3,556
	<u>218,164</u>	<u>212,454</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

8. PROPERTY, PLANT AND EQUIPMENT

	Equipment S\$	Total S\$
<u>Cost</u>		
At 1 July 2016	599	599
Additions	-	-
At 30 June 2017	599	599
Additions	-	-
At 30 June 2018	599	599
<u>Accumulated depreciation</u>		
At 1 July 2016	580	580
Depreciation	19	19
At 30 June 2017	599	599
Depreciation	-	-
At 30 June 2018	599	599
<u>Carrying amount</u>		
At 30 June 2017	-	-
At 30 June 2018	-	-

9. CASH AND CASH EQUIVALENTS

	2018 S\$	2017 S\$
Cash at bank	114,675	50,105
Fixed deposits	1,313,564	1,192,543
	1,428,239	1,242,648

Fixed deposits are placed at the tenure of 12 to 24 months (2017: 12 to 24 months) and earned interest ranging from 0.80% to 1.20% (2017: 0.80% to 1.90%) per annum.

Cash and cash equivalents are denominated in Singapore dollar.

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the followings:

	2018 S\$	2017 S\$
Cash and cash equivalents (as above)	1,428,239	1,242,648
Less: Fixed deposits	(1,313,564)	(1,192,543)
	114,675	50,105

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

10. OTHER PAYABLES

	<u>2018</u> S\$	<u>2017</u> S\$
Accruals	31,157	3,000
Subscription received in advance	4,230	2,130
	<u>35,387</u>	<u>5,130</u>

Other payables are denominated in Singapore dollar.

11. HAEMOPHILIA WELFARE FUND

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning and end of the year	<u>50,265</u>	<u>50,265</u>

The welfare fund was established from the receipt of an initial donation amounting to \$25,000 from the National Council of Social Service in 1990. This fund is used to assist haemophilia members facing financial difficulties. Financial assistance ranges from \$25 to \$2,500 and are reviewed and approved on quarterly basis where financial conditions warrant.

All financial assistance provided by subsidising proportion of treatment costs were expended under accumulated fund. The Haemophilia Welfare fund was kept for emergency use.

12. DULCIE WILSON SCHOLARSHIP FUND

	<u>2018</u> S\$	<u>2017</u> S\$
Balance at beginning and end of the year	<u>20,000</u>	<u>20,000</u>

The scholarship fund was established in memory of Mrs. Dulcie Wilson back in 2010. The sum of \$20,000 would be used to assist haemophilia members who pursue their studies in a recognised local university. No application was received as at reporting date.

13. INCOME TAX EXPENSE

The Society is an approved charitable organisation under the Charities Act, Cap. 37 and an Institute of a Public Character under the Income Tax Act, Cap. 134. Therefore, the Society is exempted from income tax under section 13(1) (ZM) of the Income Tax Act. No provision of income tax payable is made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

14. RELATED PARTY TRANSACTIONS

A related party includes the management committee members 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 members, or people connected with them, have 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 members for services provided to the Society, either by reimbursement to the management committee members or by providing the management committee members with an allowance or by direct payment to third party.

Conflict of interest

All management committee members, sub-committees and staff members 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.

15. 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 and liquidity 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>2018</u> S\$	<u>2017</u> S\$
Cash and cash equivalents	<u>1,428,239</u>	<u>1,242,648</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

15. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are with creditworthy debtors with good payment record with Society. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

There are no financial assets that are either past due or impaired.

Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Society's operations are financed mainly through unrestricted funds. The management committee members are satisfied that funds are available to finance the operations of the Society.

The table below summarises the maturity profile of the Society's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

		<u>Contractual cash flows</u> <u>(including interest payments)</u>	
	<u>Carrying</u> <u>amount</u> S\$	<u>Total</u> S\$	<u>Within 1 year</u> S\$
<u>2018</u>			
Other payables	35,387	35,387	35,387
<u>2017</u>			
Other payables	5,130	5,130	5,130

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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, and other payables

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

17. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Loans and receivables

	<u>2018</u> S\$	<u>2017</u> S\$
Cash and cash equivalents	1,428,239	1,242,648

Financial liabilities measured at amortised cost

	<u>2018</u> S\$	<u>2017</u> S\$
Other payables	35,387	5,130

18. RESERVES POLICY

The primary objective of the reserve policy is to ensure that the Society maintains a healthy and strong financial position for its continuous growth. The ratio below excludes cost of generating funds to indicate how well the Society performed in serving its objective while leaving the activity for raising funds aside.

The Society regards both the Haemophilia Welfare and Dulcie Wilson Scholarship funds as funds for emergency use only and expends all its fundraising and charitable activities mainly from the accumulated fund. The ratio of reserves to annual operating expenditures indicates an increase of 5.60% due to increase in voluntary income as compared to the last financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

18. RESERVES POLICY (CONT'D)

	2018 S\$	2017 S\$	% increase/ (decrease)
<u>Unrestricted funds:</u>			
Accumulated fund	1,315,423	1,147,725	14.61
Haemophilia Welfare fund	50,265	50,265	-
Dulcie Wilson Scholarship fund	20,000	20,000	-
	<u>1,385,688</u>	<u>1,217,990</u>	
<u>Operating expenditures:</u>			
Charitable activities	218,164	212,454	2.69
Governance cost	6,600	6,500	1.54
Finance cost	1,334	714	86.83
	<u>226,098</u>	<u>219,668</u>	
Ratio of reserves to annual operating expenditures	<u>6.13</u>	<u>5.54</u>	10.65

The financial position of the Society will be reviewed and monitored by management committee members on a monthly basis to ensure sufficient funds for its continuous operation.

19. 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 period beginning after 1 July 2018 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. The relevant ones include:

- FRS 116 Leases
- Effective for annual periods
beginning on or after
1 Jan 2019*

20. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Society and for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the management committee members 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 Registration No.: S85SS0047A)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	2018	2017
	S\$	S\$
Income		
Income from generated funds		
Voluntary income:		
Donations	401,417	210,434
Activities for generating funds:		
Project calendar	9,235	5,000
Other collections / receipts	-	18,438
	<u>9,235</u>	<u>23,438</u>
Investment income:		
Fixed deposit interest	30,643	10,128
Income from charitable activities		
Members' subscriptions	3,900	3,930
	<u>3,900</u>	<u>3,930</u>
Total income	<u>445,195</u>	<u>247,930</u>
Expenditures		
Cost of generating funds		
Charity event	42,821	22,814
Depreciation of property, plant and equipment	-	19
IT related costs	6,930	534
Entertainment and refreshment	1,330	1,975
Fundraising event	-	12,848
Gift token of appreciation	-	776
Miscellaneous expenses	1,454	512
Postage and stationery	3,021	2,440
	<u>55,556</u>	<u>41,918</u>
Charitable activities		
Medical fees subsidised	1,200	-
Membership fee - National Council of Social Service	107	-
Membership fee - World Federation of Haemophilia	289	372
Cost of treatment subsidised under three local hospitals:		
- National University Hospital	100,136	103,832
- Singapore General Hospital	50,190	64,612
- KK Women's and Children's Hospital	62,362	40,082
Members' welfare activities	3,880	-
Merit awards programme	-	3,556
	<u>218,164</u>	<u>212,454</u>
Governance cost		
Auditors' remuneration	3,000	3,000
Accountancy fees	3,600	3,500
	<u>6,600</u>	<u>6,500</u>
Finance cost		
Bank charges	1,334	714
	<u>1,334</u>	<u>714</u>
Total expenditures	<u>281,654</u>	<u>261,586</u>
Surplus/ (deficit) before tax	<u>163,541</u>	<u>(13,656)</u>

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