

NEW HOPE COMMUNITY SERVICES

[Unique Entity No. T04SS0026C]

[IPC No. IPC000037]

[Registered under the Registrar of Societies]

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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Fiducia LLP

Certified Public Accountants
Singapore

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements as set out on pages 5 to 26 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2011 and its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.

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.

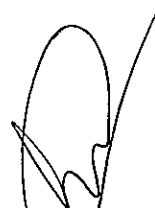
The Management Committee, comprising the following, authorised the issue of these financial statements.

President	Pastor Lawrence Koo Chok Nam
Vice- President	Pastor Ng Kim Yeow Francis
Honorary Secretary	Mr Lim Bak Chim
Honorary Treasurer	Mr William Chan Kwok Siew
Member	Dr Lee Khai Mun

For and on behalf of the Management Committee,



Pastor Lawrence Koo Chok Nam
President



Mr William Chan Kwok Siew
Honorary Treasurer

Singapore,

11 MAY 2012

Fiducia LLP

Certified Public Accountants, Singapore

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Independent auditors' report to the members of:

NEW HOPE COMMUNITY SERVICES
[Unique Entity No. T04SS0026C]
[IPC No. IPC000037]
[Registered under the Registrar of Societies]

We have audited the financial statements of **NEW HOPE COMMUNITY SERVICES** (the "Society") as set out on pages 5 to 26, which comprise the statement of financial position as at 31 December 2011, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the financial 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 Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal controls relevant to the entity's preparation of the 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 controls. 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.

Fiducia LLP

Certified Public Accountants, Singapore

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(CONT'D)

Independent auditors' report to the members of:

NEW HOPE COMMUNITY SERVICES

[Unique Entity No. T04SS0026C]

[IPC No. IPC000037]

[Registered under the Registrar of Societies]

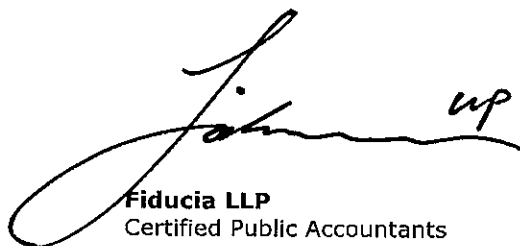
Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 December 2011, and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.



Fiducia LLP
Certified Public Accountants

Singapore,

11 MAY 2012

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Unrestricted Fund		Restricted Funds							Total S\$
	General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Lifeskills Programme S\$			
2011										
INCOMING RESOURCES										
Incoming resources from generating funds										
Voluntary income										
• Donations	281,453	0	55,000	0	9,399	12,000	25,000	0	382,852	
• Grants	15,240	138,228	1,066,813	0	0	0	0	0	1,220,281	
Activities from generating fund										
• Fundraising activities	4,990	0	0	0	0	0	0	0	4,990	
• Thrift shop	20,824	0	0	0	0	0	0	0	20,824	
Other incoming resources										
• Interest income	333	0	0	0	0	0	0	0	333	
• Jobs credit scheme	64	0	0	0	0	0	0	0	64	
• Miscellaneous income	84	0	0	0	0	0	0	0	84	
• Rental income	46,438	0	0	0	0	0	0	0	46,438	
TOTAL	369,424	138,228	1,121,813	0	9,399	12,000	25,000	0	1,675,866	

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (Cont'd)

	Note	Unrestricted Fund		Restricted Funds							Total S\$
		General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Lifeskills Programme S\$			
2011 RESOURCES EXPENDED											
Cost of generating funds		13,915	0	0	0	0	0	0	0	0	13,915
• Fund raising activities		13,545	0	0	0	0	0	0	0	0	13,545
• Thrift shop		0	0	0	0	0	0	0	0	0	0
Cost of Charitable activities											
• Community services											
Apparel		0	0	0	0	0	0	0	0	0	0
CPF & SDL		24,383	5,119	32,868	0	0	480	0	0	480	480
IT and computer expenses		3,765	0	3,700	0	0	0	0	0	0	62,370
Refreshment		2,231	56	982	0	1,140	0	0	0	0	8,728
Depreciation	8	14,526	0	0	0	0	0	0	0	0	7,974
General expenses		435	0	0	0	0	0	0	0	0	14,526
Helper allowance		8	309	346	0	0	0	0	0	0	435
Household item		107	556	4,223	0	0	0	0	0	0	663
Insurance		4,544	742	1,936	0	0	0	0	0	0	4,886
Life skill training for residents		0	0	700	0	0	0	0	0	0	7,527
Newspaper and periodicals		293	0	0	0	0	0	0	0	0	9,540
Office equipment expenses		2,072	0	0	0	0	0	0	0	0	10,240
Online donation portal fees		23	0	0	0	0	0	0	0	0	293
Overseas trip		6,263	0	0	0	0	0	0	0	0	2,072
Balance carried forward		86,110	6,782	44,755	0	1,140	480	0	0	0	2,072
											23
											6,263
											153,940

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (Cont'd)

	Note	Unrestricted Fund		Restricted Funds							Total S\$
		General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Lifeskills Programme S\$			
2011 RESOURCES EXPENDED											
Balance brought forward		86,110	6,782	44,755	0	1,140	480	14,673	153,940		
• Community services (Cont'd)											
Payroll services		2,684	1,057	3,619	0	0	0	0	7,360		
Postages and courier charges		454	0	0	0	0	0	0	454		
Printing and stationary		7,105	59	389	0	0	0	0	7,553		
Professional fees		1,200	0	0	0	0	0	0	1,200		
Relocation funding		0	0	3,977	0	0	0	0	3,977		
Rental of premises		32,182	51,900	113,029	0	0	0	2,495	199,606		
Repair and maintenance		2,311	0	0	0	0	0	0	2,311		
Resident welfare		1,515	1,558	13,151	0	0	0	0	16,224		
Salaries		0	136	91	0	0	0	0	227		
Service and conservancy charges		219,475	47,072	236,102	0	0	0	0	502,649		
Staff development and training		2,902	0	24,485	0	0	0	0	27,387		
Staff retreat		4,790	88	892	0	0	0	0	5,770		
Stamp duty		2,511	550	3,222	0	0	0	0	6,283		
Start up cost		0	0	1,087	0	0	0	0	1,087		
Telecommunication		0	0	18,765	0	0	0	0	18,765		
Transportation		7,571	0	2,546	0	0	0	0	11,393		
Utilities		230	385	4,152	0	285	0	489	5,541		
Volunteer expenses		7,209	12,584	82,660	0	0	0	0	102,453		
Miscellaneous staff expenses		61	0	0	0	0	0	0	61		
Administrative and governance costs		3,530	258	2,384	0	0	0	0	6,172		
TOTAL CARRIED FORWARD	4	40,607	0	0	0	1,425	0	0	40,607		
		422,447	123,705	555,306	0	1,425	480	17,657	1,121,020		

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (Cont'd)

	Unrestricted Fund		Restricted Funds					Total S\$
	General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Lifeskills Programme S\$	
2011								
TOTAL BROUGHT FORWARD	422,447	123,705	555,306	0	1,425	480	17,657	1,121,020
Surplus/(deficit) for the year	(53,023)	14,523	566,507	0	7,974	11,520	7,343	554,844
Total funds brought forward	768,058	0	203,765	41,000	2,439	9,894	0	1,025,156
Total funds carried forward	715,035	14,523	770,272	41,000	10,413	21,414	7,343	1,580,000

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Unrestricted Fund		Restricted Funds							Total S\$
	General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Research Project DAHF S\$			
2010										
INCOMING RESOURCES										
Incoming resources from generating funds										
Voluntary Income										
• Donations	547,223	0	0	0	4,800	15,367	0	567,390		
• Grants	35,998	115,223	564,548	0	0	0	1,536	717,305		
Activities from generating fund										
• Fundraising activities	95,003	0	0	0	0	0	0	95,003		
• Thrift shop	76,171	0	0	0	0	0	0	76,171		
Other incoming resources										
• Jobs credit scheme	4,332	0	0	0	0	0	0	4,332		
• Rental income	50,122	0	0	0	0	0	0	50,122		
TOTAL	808,849	115,223	564,548	0	4,800	15,367	1,536	1,510,323		

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (Cont'd)

	Unrestricted Fund		Restricted Funds						Total S\$
	General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Research Project DAHF S\$		
2010 RESOURCES EXPENDED									
Cost of generating funds	17,651	0	0	0	0	0	0	17,651	
• Fund raising activities	54,478	0	0	0	0	0	0	54,478	
• Thrift shop									
Cost of Charitable activities	0	129,268	0	0	0	0	0	129,268	
• New Hope Shelter									
• Transitional Shelter for Families in Crisis	0	0	381,308	0	0	0	0	381,308	
• Community services									
Apparels	0	0	0	0	0	958	0	958	
CPF & SDL	16,468	0	0	0	0	0	0	16,468	
IT and computer expenses	2,231	0	0	0	0	0	259	2,490	
Refreshment	8,256	0	0	0	334	2,120	14	10,724	
Disbursement to client	1,200	0	0	0	0	0	0	1,200	
Depreciation	33,151	0	0	0	0	0	0	33,151	
Excursion expenses	0	0	0	0	1,564	0	0	1,564	
General expenses	315	0	0	0	0	12	0	327	
Gift and souvenirs	2,072	0	0	0	0	0	0	2,072	
Helper allowance	38	0	0	0	300	1,300	0	1,638	
Household item	1,120	0	0	0	0	0	0	1,120	
Insurance	2,335	0	0	0	0	727	0	3,062	
Marketing expenses	2,677	0	0	0	0	0	0	2,677	
Newspaper and periodicals	211	0	0	0	0	0	0	211	
Office equipment expenses	8,496	0	0	0	0	0	0	8,496	
Online donation portal fees	231	0	0	0	0	0	0	231	
Payroll services	1,260	0	0	0	0	0	0	1,260	
Balance carried forward	152,190	129,268	381,308	0	2,198	5,117	273	670,354	

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (Cont'd)

	Note	Unrestricted Fund		Restricted Funds							Total S\$
		General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Research Project DAHF S\$			
2010 RESOURCES EXPENDED											
Balance brought forward		152,190	129,268	381,308	0	2,198	5,117	273	670,354		
• Community services (Cont'd)											
Postages and courier charges		1,601	0	0	0	0	0	0	1,601		
Printing and stationery		5,387	0	0	0	0	0	0	5,387		
Relocation funding		1,970	0	0	0	0	0	0	1,970		
Rental of premises		31,819	0	0	0	0	0	0	31,819		
Rental of equipment		2,479	0	0	0	0	0	0	2,479		
Repair and maintenance		1,148	0	0	0	0	0	0	1,148		
Salaries		150,011	0	0	0	0	0	0	150,011		
Service and conservancy charges		2,959	0	0	0	0	0	0	2,959		
Staff development and training		1,817	0	0	0	0	0	0	1,817		
Staff retreat		3,057	0	0	0	0	0	0	3,057		
Stamp duty		322	0	0	0	0	0	0	322		
Telecommunication		4,712	0	0	0	0	0	0	4,712		
Transportation		634	0	0	0	163	195	55	1,047		
Transcription fee		0	0	0	0	0	0	1,320	1,320		
Utilities		6,700	0	0	0	0	0	0	6,700		
Volunteer expenses		275	0	0	0	0	161	0	436		
Miscellaneous staff expenses		1,926	0	0	0	0	0	0	1,926		
Administrative and governance costs	4	34,933	0	0	0	0	0	0	34,933		
TOTAL CARRIED FORWARD		403,940	129,268	381,308	0	2,361	5,473	1,648	923,998		

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 (Cont'd)

	Unrestricted Fund		Restricted Funds						Total S\$
	General Fund S\$	New Hope Shelter S\$	Transitional Shelter for Families in Crisis S\$	Capital expenditure S\$	Children Choir S\$	Project Hope S\$	Research Project DAHF S\$		
2010									
TOTAL BROUGHT FORWARD	403,940	129,268	381,308	0	2,361	5,473	1,648	923,998	
Surplus/(deficit) for the year	404,909	(14,045)	183,240	0	2,439	9,894	(112)	586,325	
Transfers	(9,343)	9,231	0	0	0	0	112	0	
Total funds brought forward	372,492	4,814	20,525	41,000	0	0	0	438,831	
Total funds carried forward	768,058	0	203,765	41,000	2,439	9,894	0	1,025,156	

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 S\$	2010 S\$
ASSETS			
Current assets			
Cash and bank balances	6	1,487,328	932,948
Receivables, deposits and prepayment	7	<u>157,326</u>	<u>133,811</u>
		1,644,654	1,066,759
Non-current assets			
Property, plant and equipment	8	6,981	19,506
Total assets		<u>1,651,635</u>	<u>1,086,265</u>
LIABILITIES			
Current liabilities			
Other payables	9	71,635	61,109
Total liabilities		<u>71,635</u>	<u>61,109</u>
NET ASSETS		<u>1,580,000</u>	<u>1,025,156</u>
UNRESTRICTED FUND			
General fund	10	<u>715,035</u>	<u>768,058</u>
RESTRICTED FUNDS			
New Hope Shelter	11	14,523	0
Transitional Shelter for Families in Crisis	11	770,272	203,765
Capital expenditure	11	41,000	41,000
Children's Choir	11	10,413	2,439
Project Hope	11	21,414	9,894
Lifeskills Programme	11	<u>7,343</u>	<u>0</u>
		864,965	257,098
TOTAL FUNDS		<u>1,580,000</u>	<u>1,025,156</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Balance at beginning of year S\$	Surplus/ (deficits) for the year S\$	Transfers (to)/ from S\$	Balance at end of year S\$
<u>2011</u>				
Unrestricted fund				
General fund	768,058	(53,023)	0	715,035
Restricted funds				
New Hope Shelter	0	14,523	0	14,523
Transitional Shelter for Families in Crisis	203,765	566,507	0	770,272
Capital expenditure	41,000	0	0	41,000
Children's choir	2,439	7,974	0	10,413
Project Hope	9,894	11,520	0	21,414
Lifeskills Programme	0	7,343	0	7,343
	<u>257,098</u>	<u>607,866</u>	<u>0</u>	<u>864,965</u>
TOTAL	<u>1,025,156</u>	<u>554,844</u>	<u>0</u>	<u>1,580,000</u>
	Balance at beginning of year S\$	Surplus/ (deficits) for the year S\$	Transfers (to)/ from S\$	Balance at end of year S\$
<u>2010</u>				
Unrestricted fund				
General fund	372,492	404,909	(9,343)	768,058
Restricted funds				
New Hope Shelter	4,814	(14,045)	9,231	0
Transitional Shelter for Families in Crisis	20,525	183,240	0	203,765
Capital expenditure	41,000	0	0	41,000
Children's choir	0	2,439	0	2,439
Project Hope	0	9,894	0	9,894
Research project DAHF	0	(112)	112	0
	<u>66,339</u>	<u>181,416</u>	<u>9,343</u>	<u>257,098</u>
TOTAL	<u>438,831</u>	<u>585,325</u>	<u>0</u>	<u>1,025,156</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	2011 S\$	2010 S\$
Cash flows from operating activities			
(Deficit) / surplus for the year			
Unrestricted Fund:			
- General Fund		(53,023)	404,909
Restricted Funds:			
- New Hope Shelter		14,523	(14,045)
- Transitional Shelter for Families in Crisis		566,507	183,240
- Capital expenditure		0	0
- Children's choir		7,974	2,439
- Project hope		11,520	9,894
- Lifeskills Programme		7,343	(112)
		<u>554,844</u>	<u>586,325</u>
Adjustment for:			
- Bank interest income		(333)	0
- Depreciation	8	14,526	33,151
Operating cash flow before working capital changes		<u>569,037</u>	<u>619,476</u>
Changes in working capital			
- Receivables, deposits and prepayment		(23,515)	(82,717)
- Payables and accruals		10,526	44,259
Net cash generated from operating activities		<u>556,381</u>	<u>581,018</u>
Cash flows from investing activities			
Bank interest received		333	0
Purchases of property, plant and equipment	8	(2,001)	(8,230)
Net cash used in investing activities		<u>(1,668)</u>	<u>(8,230)</u>
Net increase in cash and cash equivalents		554,380	572,788
Cash and cash equivalents at beginning of financial year		932,948	360,160
Cash and cash equivalents at end of financial year	6	<u>1,487,328</u>	<u>932,948</u>

Cash and cash equivalents comprise of cash and bank balances.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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

1. General information

NEW HOPE COMMUNITY SERVICES ("the Society") is registered under the Societies Act (Chapter 311) on 16 January 2004. The registered office and principal place of operation is at 102 Yishun Avenue 5, #03-131, Singapore 760102. The principal activity of the Society is to provide assistance, counselling and training to alleviate difficulties and sufferings of needy individuals and families.

The Society is a charity registered under the Charities Act (Chapter 37) since 13 October 2004 and has been accorded the status of an Institution of Public Character ("IPC") status for the period from 01 November 2009 to 30 October 2012.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these 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.

The 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.

Interpretations and amendments to published standards effective in 2010

On 1 January 2010, the Society has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Society's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Society:

<u>FRS</u>	<u>Effective Date</u>	<u>Title</u>
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 21	1.1.2006	The effect of changes in foreign exchange rates
FRS 24	1.1.2006	Related party disclosures
FRS 32	1.2.2007	Financial instruments : Presentation
FRS 32	1.2.2009	Financial instruments : Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

The adoption of the above revised FRS did not result in any substantial changes to the Society's accounting policies.

2. Significant accounting policies (Cont'd)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Revenue is recognised as follows:

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Grants

Grants received to meet the Society's operating expenses are recognised as incoming resources to match the related operating costs.

2.2.3 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.4 Jobs Credit scheme

The Jobs Credit scheme is government's cash grants paid to employers to help them preserve jobs. The grant is recognised on receipt basis.

2.2.5 Rental income

Rental income is recognised on a receipt basis.

2.3 Property, plant and equipment

2.3.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.2 Depreciation

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

	Useful Life
Office equipment	3 years
Computer	3 years
Furniture & fittings	5 years
Motor vehicle	3 years
Renovation	3 years

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment (Cont'd)

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.3.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

2.4 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.5 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2. Significant accounting policies (Cont'd)

2.6 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2.7 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial activities.

2.8 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.10 Financial assets

2.10.1 Classification

The Society classifies its financial assets as receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Receivables are classified within "receivables" and "cash and cash equivalents" on the balance sheet.

2.10.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

2. Significant accounting policies (Cont'd)

2.10 Financial assets (Cont'd)

2.10.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Receivables are subsequently carried at amortised cost using effective interest method.

2.10.4 Impairment

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Administrative expenses".

2.11 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institution.

2.13 Related parties

Related parties are entities with one or more common Management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, 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.

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.1 Critical judgements in applying the entity's accounting policies (Cont'd)

Allowance for impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluate the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

4. Administrative and governance costs

	2011 S\$	2010 S\$
Air tickets	0	210
Accounting fees	18,446	16,848
Bank charges	672	595
Audit fees	5,600	6,203
Insurance	0	3,679
Upkeep of motor vehicles	15,764	6,929
Membership fees	125	469
	<u>40,607</u>	<u>34,933</u>

5. Income tax

The Society is a charity registered under the Charities Act since 13 October 2004. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

6. Cash and bank balances

	2011 S\$	2010 S\$
Cash on hand	1,970	2,549
Cash at bank	985,358	930,399
Fixed deposits	500,000	0
	<u>1,487,328</u>	<u>932,948</u>

At the date of statement of financial position, the carrying amounts of cash and bank balances approximated their fair values.

7. Receivables, deposits and prepayment

	2011 S\$	2010 S\$
Other receivables	600	5,151
Deposits	21,968	19,531
Grant receivables	125,168	95,805
Prepayment	9,559	13,324
Interest receivables	31	0
	<u>157,326</u>	<u>133,811</u>

At the date of the statement of financial position, the carrying amounts of receivables, deposits and prepayment approximated their fair values.

8. Property, plant and equipment

	Computer S\$	Furniture & fittings S\$	Motor vehicles S\$	Renovation S\$	Total S\$
Cost					
At beginning of year	8,578	11,343	85,421	9,060	114,402
Additions	2,001	0	0	0	2,001
At end of year	<u>10,579</u>	<u>11,343</u>	<u>85,421</u>	<u>9,060</u>	<u>116,403</u>
Accumulated depreciation					
At beginning of year	7,149	6,560	76,323	4,864	94,896
Charge for the year	2,096	1,662	9,098	1,670	14,526
At end of year	<u>9,245</u>	<u>8,222</u>	<u>85,421</u>	<u>6,534</u>	<u>109,422</u>
Net book value As at 31.12.2011	<u>1,334</u>	<u>3,121</u>	<u>0</u>	<u>2,526</u>	<u>6,981</u>

	Computer S\$	Furniture & fittings S\$	Motor vehicles S\$	Renovation S\$	Total S\$
Cost					
At beginning of year	8,578	7,443	85,421	4,730	106,172
Additions	0	3,900	0	4,330	8,230
At end of year	<u>8,578</u>	<u>11,343</u>	<u>85,421</u>	<u>9,060</u>	<u>114,402</u>
Accumulated depreciation					
At beginning of year	5,434	5,495	47,850	2,966	61,745
Charge for the year	1,715	1,065	28,473	1,898	33,151
At end of year	<u>7,149</u>	<u>6,560</u>	<u>76,323</u>	<u>4,864</u>	<u>94,896</u>
Net book value As at 31.12.2010	<u>1,429</u>	<u>4,783</u>	<u>9,098</u>	<u>4,196</u>	<u>19,506</u>

9. Other payables

At the date of the statement of financial position, the carrying amounts of other payables approximated their fair values.

10. Unrestricted fund

The General Fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Society.

11. Restricted fund

New Hope Shelter

The Shelter Home for Men has been in operation since 2003. On 1 April 2004, it was formally set up as an extension arm of New Hope Community Services to reach out to the less fortunate, particularly the homeless and men in crisis. It also reaches out to destitute ex-offenders and recovered drug abusers who have no place to turn to upon their release from Prisons/ Drug Rehabilitation Centres (DRCs).

Transitional Shelter for Families in Crisis

This is a pilot project in collaboration with MCYS, NCSS and HDB and has been approved in December 2006. This project aims to provide temporary accommodation for families in crisis, in particular those who have been evicted by HDB for various reasons. These families will be housed in the 43 (2010:33) approved HDB units allocated to NHCS in this pilot. As part of the agreed service model, New Hope Community Services would need to provide counselling services as well as basic life-skills programmes depending on the needs of the families.

Capital expenditure

The Capital Expenditure fund was set up from the donation received from a donor, for the purchase of a lorry for thrift shop business.

The fund balances are not represented by any specific accounts but are represented by all assets and liabilities of the Association.

Children's Choir

The New Hope Children's Choir is about transforming lives through music. By learning to perform together and in front of an audience, we hope to build in these children a deep sense of self-esteem, dignity and self-worth.

Project Hope

Hope Project is about changing lives through sports.

In 2009, New Hope Community Centre launched the project, "Team Hope" which is all about changing one's life through football. It is hoped that the dedication, commitment and teamwork involved in growing a football team will provide persons-in-crisis with the necessary tools to help them rebuild their lives and successfully reintegrate back into society.

In 2011, New Hope Community Centre launched another project "Team Hope – Running" to fulfil the same objective - to rebuild their lives.

11. Restricted fund (cont'd)

Lifeskills Programme

The life-skills trainings provide the residents with basic knowledge on how they can make improvement to their lives thus allowing them to have the ability to work towards financial independence and self-reliance. The trainings include changing of mindset, budgeting skills, problem solving skills and sharing about employment. The project includes retreats cum children camps which are aimed at encouraging family bonding.

12. Financial risk management

New Hope community Services is primarily funded by grant from NCSS, donations and receipts from fund raising activities.

The Society's activities expose it to liquidity risk and credit risk.

(i) Liquidity risk

The Society manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the Management Committee to fund the Society's activities. It places its cash with a creditworthy institution.

(ii) Credit risk

As at 31 December 2011, the Society's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets.

Cash and bank balances are placed with a reputable financial institution.

The responsibility for managing the above risks is vested in the Management Committee.

Fair values

As at 31 December 2011, the carrying amounts of all financial assets and liabilities approximated their fair values.

13. Related party transactions

The Management Committee has significant related parties transactions with related parties on terms agreed with the parties as follows:

	2011 S\$	2010 S\$
Rental expense paid to Bethesda Christian Centre	<u>0</u>	<u>8,700</u>

Bethesda Christian Centre is a church in which one of the management committee, Daniel Sum, is a resident pastor. He had stepped down from the board on 04.07.2010.

14. Operating lease commitment

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the date of the financial position but not recognised as liabilities were as follows:

	2011 S\$	2010 S\$
Not later than one year	151,972	136,293
Later than one year but not later than five years	<u>19,193</u>	<u>50,340</u>

15. Remuneration of key management personnel

The remuneration of key management personnel during the financial year was as follows:

	2011 S\$	2010 S\$
Short-term benefits	<u>96,421</u>	<u>82,185</u>

	2011 No. of key management personnel	2010 No. of key management personnel
Remuneration band (S\$) S\$50,000 - S\$100,000	<u>1</u>	<u>1</u>

The remuneration of key management personnel is determined by the Management Committee.

16. Reserve position and policy

The Society's reserve position (excluding non-current assets) for financial year ended 31 December 2011 is as follows:

		2011	2010	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	715	768	(53)
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	N/A
	Restricted Funds	865	257	608
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	1,580	1,025	555
E	Total Annual Operating Expenditure	1,121	924	197
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.64	0.83	(0.19)

Reference:

- C. An endowment fund consists of assets, funds or properties which are held in perpetuity which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

16. Reserve position and policy (Cont'd)

The Society's Reserve Policy is as follows:

The Society's reserve policy requires it to build an operating reserve of three years to ensure that services can continue to function during lean years. Fund raising income usually reduces during the periods when the economy is not doing well but it is also during these periods that beneficiaries need help the most.

The Society will not keep a reserve fund that is more than three years of its operating budget. The Society's overall approach to management of reserves remains unchanged from 2008.

17. Authorisation of financial statement

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on

11 MAY 2012