

**NEW HOPE COMMUNITY
SERVICES**

[Unique Entity No. T04SS0026C]

[IPC No. IPC000037]

[Registered under the Societies Act]

(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

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Fiducia LLP

Public Accountants and
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1 Goldhill Plaza, #03-35
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 31 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2013 and of 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 on


27 MAY 2014

President	Ng Kim Yeow Francis
Vice-President	Lim Bak Chim
Secretary	Lee Khai Mun
Treasurer	William Chan Kwok Siew
Committee Member	Derek Pak Gek Kwee
Committee Member	Liew Wai Leong
Committee Member	Tan Boon Kim Hilda

For and on behalf of the Management Committee,



Ng Kim Yeow Francis
President



William Chan Kwok Siew
Treasurer

Singapore, **27 MAY 2014**

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Independent auditor's report to the members of:

NEW HOPE COMMUNITY SERVICES

[Unique Entity No. T04SS0026C]
[IPC No. IPC000037]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

We have audited the financial statements of **NEW HOPE COMMUNITY SERVICES** (the "Society") for the financial year ended 31 December 2013 as set out on pages 5 to 31, which comprise the statement of financial position as at 31 December 2013, 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 notes.

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 provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard, 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

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

Public Accountants and
Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

NEW HOPE COMMUNITY SERVICES

[Unique Entity No. T04SS0026C]
[IPC No. IPC000037]
[Registered under the Societies Act (Chapter 311) in the Republic of
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Opinion

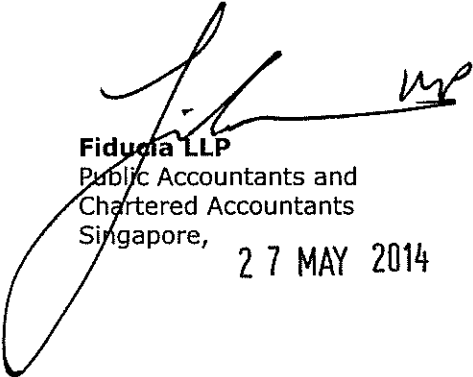
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charity Accounting Standard so as to give a true and fair view of the state of affairs of the Society as at 31 December 2013, and the results of the financial activities, 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.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

27 MAY 2014

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013	UNRESTRICTED FUNDS		RESTRICTED FUNDS							Total Funds	
		General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund		Total restricted funds
Note		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME												
Voluntary income												
Donations	5	91,641	0	0	0	0	0	0	14,945	0	15,345	106,986
Grants		29,367	143,892	0	0	0	0	0	0	141,373	1,728,733	1,758,100
		121,008	143,892	0	0	0	0	0	14,945	141,373	1,744,078	1,865,086
Activity for generating funds												
Walkathon fundraising event	5	180,346	0	0	0	0	0	0	0	0	0	180,346
Investment income												
Fixed deposits interest income		7,631	0	0	0	0	0	0	0	0	0	7,631
Other income												
Government-Paid Maternity Leave Scheme		1,167	0	0	0	0	0	0	0	0	0	1,167
Jobs Credit Scheme		17,098	0	0	0	0	0	0	0	0	0	17,098
Miscellaneous income		20	0	0	0	0	0	0	0	0	0	20
Rental income		0	0	0	0	9,050	44,230	44,230	0	0	53,280	53,280
		18,285	0	0	0	9,050	44,230	44,230	0	0	53,280	71,565
TOTAL INCOME		327,270	143,892	0	0	147,739	1,349,409	14,945	141,373	1,797,358	2,124,628	

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

	UNRESTRICTED FUNDS		RESTRICTED FUNDS							Total Funds	
	General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund		Total restricted funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE											
Cost of generating funds											
Walkathon fundraising event	0	0	0	0	0	0	0	0	0	0	0
Cost of charitable activities											
Ambulance stand by services	320	0	0	0	0	0	0	0	0	0	320
Apparels	0	0	0	0	0	0	0	0	0	0	0
Association liability	3,269	0	0	0	0	30	0	0	0	30	3,299
Catering and refreshment	12,894	323	0	0	1,093	132	1,505	0	0	3,053	15,947
Excursion expenses	0	0	0	3,094	0	0	600	0	0	3,694	3,694
General expenses	530	0	0	556	0	0	0	0	2,532	3,088	3,618
Helper allowance	0	150	0	0	0	176	453	0	0	779	779
Household item	965	5	0	1,331	0	409	10,592	0	0	12,337	13,302
Insurance	764	0	0	0	0	41	152	0	0	193	957
IT and computer expenses	1,726	0	0	0	0	519	0	0	0	519	2,245
Life skill training for residents	0	0	0	1,217	10,833	2,000	0	0	0	14,050	14,050
Office equipment expenses	498	0	0	0	0	0	0	0	0	0	498
Payroll services	0	0	0	0	0	0	0	0	0	0	0
Printing and stationery	0	0	0	0	0	0	0	0	0	0	0
Balance c/f	20,966	478	0	6,198	11,926	3,307	13,302	0	2,532	37,743	58,709

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

2013	UNRESTRICTED FUNDS				RESTRICTED FUNDS							Total Funds
	General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund	Total restricted funds		
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE												
Cost of charitable activities												
Balance b/f	20,966	478	0	6,198	11,926	3,307	13,302	0	2,532	37,743	58,709	
Professional fees	0	3,360	0	0	0	0	0	0	24,000	27,360	27,360	
Refreshment	0	0	0	0	0	0	0	0	0	0	0	
Relocation funding	0	0	0	0	0	0	4,658	0	0	4,658	4,658	
Rental of equipment	4,822	0	0	0	0	0	0	0	0	4,822	4,822	
Rental of premises	17,339	0	0	10,951	1,728	49,700	45,215	0	0	107,594	124,933	
Repair and maintenance	6,113	0	0	2,748	0	1,454	6,651	0	0	10,853	16,966	
Resident welfare Service	0	0	0	0	0	1,313	277	0	0	1,590	1,590	
and conservancy charges	3,214	0	0	0	0	0	31,999	0	0	31,999	35,213	
Shelter furniture, fixtures and fittings expenses	0	0	0	0	0	0	9,281	0	0	9,281	9,281	
Staff costs	151,905	32,230	0	18,163	353	47,379	331,693	0	0	429,818	581,723	
Stamp duty	272	0	0	0	0	0	511	0	0	511	783	
Telecommunication	4,875	300	0	0	0	896	5,746	0	0	6,942	11,817	
Transportation	1,578	10	0	0	0	924	7,860	0	0	8,794	10,372	
Utilities	8,284	0	0	10,523	0	2,588	66,280	0	0	79,391	87,675	
	219,368	36,378	0	48,583	14,007	107,561	523,473	0	26,532	756,534	975,902	

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

	UNRESTRICTED FUNDS		RESTRICTED FUNDS							Total Funds	
	General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund		Total restricted funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE											
Governance and administrative costs											
Accounting fees	27,221	0	0	0	0	0	0	0	0	0	27,221
Audit fees	5,750	0	0	0	0	0	0	0	0	0	5,750
Awards and prizes	2,975	0	0	0	0	0	2,240	0	0	2,240	5,215
Bank charges	782	0	0	0	0	0	0	0	0	0	782
Board expenses	4,106	0	0	0	0	0	0	0	0	0	4,106
Cleaning services	1,820	0	0	0	0	0	0	0	0	0	1,820
Congratulations and condolences benefits	268	0	0	0	0	0	0	0	0	0	268
Depreciation of property, plant and equipment	2,586	0	0	0	0	0	0	0	0	0	2,586
Gifts and souvenirs	1,399	0	0	0	0	0	0	0	0	0	1,399
Household item	0	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0	0
IT and computer expenses	0	0	0	0	0	0	0	0	0	0	0
Marketing, advertising and publicity	0	0	0	0	0	0	0	0	1,040	1,040	1,040
Membership fees	157	0	0	0	0	0	0	0	0	0	157
Balance c/f	47,064	0	0	0	0	0	2,240	0	1,040	3,280	50,344

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

2013	UNRESTRICTED FUNDS		RESTRICTED FUNDS							Total Funds	
	General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund		Total restricted funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE											
Governance and administrative costs											
Balance b/f	47,064	0	0	0	0	0	2,240	0	1,040	3,280	50,344
Newspaper and periodicals	356	0	0	0	0	0	0	0	0	0	356
Office equipment expenses	0	0	0	0	0	0	0	0	0	0	0
Online donation portal fees	30	0	0	0	0	0	0	0	0	0	30
Payroll services	2,471	540	0	0	0	1,348	5,887	0	0	7,775	10,246
Postages and courier charges	505	102	0	0	0	0	0	0	0	102	607
Printing and stationery	8,144	425	0	0	0	10	138	0	0	573	8,717
Refreshment	0	0	0	0	0	0	0	0	0	0	0
Rental of equipment	0	0	0	0	0	0	0	0	0	0	0
Rental of premises	16,532	0	0	0	0	0	0	0	0	0	16,532
Repair and maintenance	0	0	0	0	0	0	0	0	0	0	0
Service and conservancy charges	0	0	0	0	0	0	0	0	0	0	0
Staff costs	82,155	17,431	0	9,823	191	25,625	179,390	0	0	232,460	314,615
Telecommunication	0	0	0	0	0	0	0	0	0	0	0
Upkeep of motor vehicles	19,697	0	0	0	0	0	0	0	0	0	19,697
Utilities	0	0	0	0	0	0	0	0	0	0	0
	176,954	18,498	0	9,823	191	26,983	187,655	0	1,040	244,190	421,144

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (Cont'd)

2013	UNRESTRICTED FUNDS		RESTRICTED FUNDS							Total Funds	
	General Fund	HOPE Scheme Programme Fund	Capital Expenditure Fund	Families Shelter Fund (Give2Asia)	Life Skills Programme Fund	New Hope Shelter Fund	Transitional Shelter for Families in Crisis Fund	Character Building Fund	Office Building Fund		Total restricted funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
TOTAL EXPENDITURE											
Net income/ expenditure for the year	396,322	54,876	0	58,406	14,198	134,544	711,128	0	27,572	1,000,724	1,397,046
Total funds brought forward	(69,052)	89,016	0	(58,406)	(14,198)	13,195	638,281	14,945	113,801	796,634	727,582
Transfer between funds	721,320	106,503	41,000	56,282	15,723	8,790	1,074,311	0	0	1,302,609	2,023,929
	(2,124)	0	0	2,124	0	0	0	0	0	2,124	0
Total funds carried forward	650,144	195,519	41,000	0	1,525	21,985	1,712,592	14,945	113,801	2,101,367	2,751,511

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

2012	UNRESTRICTED FUND	RESTRICTED FUNDS										Total Funds
		General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME												
Voluntary income												
Donations	5	224,603	0	0	60,840	0	25,000	2,175	0	0	88,015	312,618
Grants		7,503	0	0	0	109,483	0	130,337	0	981,058	1,220,878	1,228,381
		232,106	0	0	60,840	109,483	25,000	132,512	0	981,058	1,308,893	1,540,999
Activity for generating funds												
Walkathon fundraising event		75,118	0	0	0	0	0	0	0	0	0	75,118
Investment income												
Fixed deposits interest income		220	0	0	0	0	0	0	0	0	0	220
Other income												
Government-Paid Maternity Leave Scheme		5,686	0	0	0	0	0	0	0	0	0	5,686
Jobs Credit Scheme		8,276	0	0	0	0	0	0	0	0	0	8,276
Miscellaneous income		128	0	0	0	0	0	0	0	0	0	128
Rental income		58,045	0	0	0	0	0	0	0	0	0	58,045
		72,135	0	0	0	0	0	0	0	0	0	72,135
TOTAL INCOME		379,579	0	0	60,840	109,483	25,000	132,512	0	981,058	1,308,893	1,688,472

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (Cont'd)

	RESTRICTED FUNDS											Total Funds
	UNRESTRICTED FUND	General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	9,279	0	0	0	0	0	0	0	0	0	0	9,279
LESS: EXPENDITURE												
Cost of generating funds												
Walkathon fundraising event		1,440	0	0	0	0	0	0	0	0	0	1,440
		1,257	0	0	0	0	0	0	1,177	1,177	1,177	2,434
		0	0	0	0	0	0	1,154	344	1,498	1,498	1,498
		171	0	0	0	0	24	1,227	8,612	9,863	9,863	10,034
		0	0	0	0	0	0	185	733	918	918	918
		0	0	0	0	0	0	25	2,158	2,183	2,183	2,183
		0	0	0	0	0	9,450	0	0	0	9,450	9,450
		0	0	0	0	0	0	99	69	168	168	168
		0	0	0	0	0	0	1,380	5,143	6,523	6,523	6,523
		35	0	0	0	69	53	37	202	361	396	396
		400	0	0	0	2,400	0	250	0	2,650	3,050	3,050
		7,486	0	0	0	84	3,731	77	530	4,422	11,908	11,908
		0	0	0	0	0	0	0	3,815	3,815	3,815	3,815
Balance c/f	10,789	0	0	0	0	2,553	13,258	4,434	22,783	43,028	53,817	53,817

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (Cont'd)

	RESTRICTED FUNDS											Total Funds
	UNRESTRICTED FUND	General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE												
Cost of charitable activities												
Balance b/f	10,789	0	0	0	0	2,553	13,258	4,434	0	22,783	43,028	53,817
Rental of equipment	1,055	0	0	0	0	0	150	0	0	0	150	1,205
Rental of premises	850	0	0	0	0	385	1,978	43,890	0	106,482	152,735	153,585
Repair and maintenance	0	0	0	0	0	0	0	2,498	0	32,460	34,958	34,958
Resident welfare	0	0	0	0	0	0	0	18	0	4	22	22
Service and conservancy charges	0	0	0	0	4,558	0	0	0	0	25,018	29,576	29,576
Shelter furniture, fixtures and fittings expenses	0	0	0	0	0	0	0	0	0	2,892	2,892	2,892
Staff costs	55	0	0	0	0	42	454	76,092	0	400,362	476,950	477,005
Stamp duty	0	0	0	0	0	0	0	0	0	292	292	292
Telecommunication	80	0	0	0	0	0	0	1,493	0	6,195	7,688	7,768
Transportation	1,804	0	0	0	0	0	780	414	0	1,220	2,414	4,218
Utilities	0	0	0	0	0	0	0	9,406	0	79,311	88,717	88,717
	14,633	0	0	0	4,558	2,980	16,620	138,245	0	677,019	839,422	854,055

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (Cont'd)

2012	RESTRICTED FUNDS											
	UNRESTRICTED FUND	General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	Total Funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
LESS: EXPENDITURE												
Governance and administrative costs												
Accounting fees	20,740	0	0	0	0	0	0	0	0	0	0	20,740
Audit fees	5,000	0	0	0	0	0	0	0	0	0	0	5,000
Awards and prizes	133	0	0	0	0	0	0	0	0	0	0	133
Bank charges	717	0	0	0	0	0	0	0	0	0	0	717
Board expenses	5,381	0	0	0	0	0	0	0	0	0	0	5,381
Cleaning services	1,500	0	0	0	0	0	0	0	0	0	0	1,500
Depreciation of property, plant and equipment	3,022	0	0	0	0	0	0	0	0	0	0	3,022
Household item	231	0	0	0	0	0	0	0	0	0	0	231
Insurance	3,844	0	0	0	0	0	0	0	0	0	0	3,844
IT and computer expenses	190	0	0	0	0	0	0	0	0	0	0	190
Membership fees	94	0	0	0	0	0	0	0	0	0	0	94
Newspaper and periodicals	294	0	0	0	0	0	0	0	0	0	0	294
Office equipment expenses	263	0	0	0	0	0	0	0	0	0	0	263
Online donation portal fees	185	0	0	0	0	0	0	0	0	0	0	185
Payroll services	2,748	0	0	0	0	0	0	0	0	0	0	2,748
Postages and courier charges	176	0	0	0	0	0	0	0	0	0	0	176
Balance c/f	44,518	0	0	0	0	0	0	0	0	0	0	44,518

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (Cont'd)

2012	RESTRICTED FUNDS											
	UNRESTRICTED FUND	General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	Total Funds
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	44,518	0	0	0	0	0	0	0	0	0	0	44,518
	4,695	0	0	0	0	0	0	0	0	0	0	4,695
	1,243	0	0	0	0	0	0	0	0	0	0	1,243
	2,311	0	0	0	0	0	0	0	0	0	0	2,311
	32,100	0	0	0	0	0	0	0	0	0	0	32,100
	1,845	0	0	0	0	0	0	0	0	0	0	1,845
	2,902	0	0	0	0	0	0	0	0	0	0	2,902
6	258,013	0	0	0	0	0	0	0	0	0	0	258,013
	6,153	0	0	0	0	0	0	0	0	0	0	6,153
	18,045	0	0	0	0	0	0	0	0	0	0	18,045
	9,384	0	0	0	0	0	0	0	0	0	0	9,384
	381,209	0	0	0	0	0	0	0	0	0	0	381,209

LESS: EXPENDITURE
Governance and administrative costs
 Balance b/f
 Printing and stationery
 Refreshment
 Rental of equipment
 Rental of premises
 Repair and maintenance
 Service and conservancy charges
 Staff costs
 Telecommunication
 Upkeep of motor vehicles
 Utilities

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (Cont'd)

2012	UNRESTRICTED FUND	RESTRICTED FUNDS										Total Funds
		General Fund	Capital Expenditure Fund	Children's Choir Fund	Families Shelter Fund (Give2Asia)	HOPE Scheme Programme Fund	Life Skills Programme Fund	New Hope Shelter Fund	Project Hope Fund	Transitional Shelter for Families in Crisis Fund	Total restricted funds	
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
TOTAL EXPENDITURE		405,121	0	0	4,558	2,980	16,620	138,245	0	677,019	839,422	1,244,543
Net income/ expenditure for the year	(25,542)	0	0	56,282	106,503	8,380	(5,733)	0	304,039	469,471	443,929	
Total funds brought forward	715,035	41,000	10,413	0	0	7,343	14,523	21,414	770,272	864,965	1,580,000	
Transfer between funds	31,827	0	(10,413)	0	0	0	0	(21,414)	0	(31,827)	0	
Total funds carried forward	721,320	41,000	0	56,282	106,503	15,723	8,790	0	1,074,311	1,302,609	2,023,929	

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 S\$	2012 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,391,966	1,823,737
Other receivables	8	191,308	278,559
		<u>2,583,274</u>	<u>2,102,296</u>
Non-current asset			
Property, plant and equipment	9	642,016	3,959
		<u>642,016</u>	<u>3,959</u>
Total assets		<u>3,225,290</u>	<u>2,106,255</u>
LIABILITY			
Current liability			
Other payables	10	473,779	82,326
		<u>473,779</u>	<u>82,326</u>
Total liability		<u>473,779</u>	<u>82,326</u>
NET ASSETS		<u>2,751,511</u>	<u>2,023,929</u>
FUNDS			
UNRESTRICTED FUNDS			
General Fund	11	650,144	721,320
HOPE Scheme Programme Fund	15	195,519	0
		<u>845,663</u>	<u>721,320</u>
RESTRICTED FUNDS			
Capital Expenditure Fund	12	41,000	41,000
Children's Choir Fund	13	0	0
Families Shelter Fund (Give2Asia)	14	0	56,282
HOPE Scheme Programme Fund	15	0	106,503
Life Skills Programme Fund	16	1,525	15,723
New Hope Shelter Fund	17	21,985	8,790
Project Hope Fund	18	0	0
Transitional Shelter for Families in Crisis Fund	19	1,712,592	1,074,311
Character Building Fund	20	14,945	0
Office Building Fund	21	113,801	0
		<u>1,905,848</u>	<u>1,302,609</u>
TOTAL FUNDS		<u>2,751,511</u>	<u>2,023,929</u>

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

STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Transfers S\$	Balance at end of year S\$
2013					
UNRESTRICTED FUNDS					
General Fund	11	721,320	(69,052)	(2,124)	650,144
HOPE Scheme Programme Fund	15	0	89,016	106,503	195,519
		<u>721,320</u>	<u>19,964</u>	<u>104,379</u>	<u>845,663</u>
RESTRICTED FUNDS					
Capital Expenditure Fund	12	41,000	0	0	41,000
Children's Choir Fund	13	0	0	0	0
Families Shelter Fund (Give2Asia)	14	56,282	(58,406)	2,124	0
HOPE Scheme Programme Fund	15	106,503	0	(106,503)	0
Life Skills Programme Fund	16	15,723	(14,198)	0	1,525
New Hope Shelter Fund	17	8,790	13,195	0	21,985
Project Hope Fund	18	0	0	0	0
Transitional Shelter for Families in Crisis Fund	19	1,074,311	638,281	0	1,712,592
Character Building Fund	20	0	14,945	0	14,945
Office Building Fund	21	0	113,801	0	113,801
		<u>1,302,609</u>	<u>707,618</u>	<u>(104,379)</u>	<u>1,905,848</u>
TOTAL FUNDS		<u>2,023,929</u>	<u>727,582</u>	<u>0</u>	<u>2,751,511</u>
2012					
UNRESTRICTED FUND					
General Fund	11	715,035	(25,542)	31,827	721,320
RESTRICTED FUNDS					
Capital Expenditure Fund	12	41,000	0	0	41,000
Children's Choir Fund	13	10,413	0	(10,413)	0
Families Shelter Fund (Give2Asia)	14	0	56,282	0	56,282
HOPE Scheme Programme Fund	15	0	106,503	0	106,503
Life Skills Programme Fund	16	7,343	8,380	0	15,723
New Hope Shelter Fund	17	14,523	(5,733)	0	8,790
Project Hope Fund	18	21,414	0	(21,414)	0
Transitional Shelter for Families in Crisis Fund	19	770,272	304,039	0	1,074,311
		<u>864,965</u>	<u>469,471</u>	<u>(31,827)</u>	<u>1,302,609</u>
TOTAL FUNDS		<u>1,580,000</u>	<u>443,929</u>	<u>0</u>	<u>2,023,929</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 S\$	2012 S\$
Cash flows from operating activities			
Net income for the year		727,582	443,929
Adjustments for:			
- Depreciation of property, plant and equipment	9	2,586	3,022
- Fixed deposits interest income		(7,631)	(220)
Operating cash flow before working capital changes		<u>722,537</u>	<u>446,731</u>
Changes in operating assets and liabilities			
- Other receivables		92,681	(121,264)
- Other payables		<u>391,453</u>	<u>10,691</u>
Net cash provided by operating activities		<u>1,206,671</u>	<u>336,158</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(640,643)	0
Fixed deposits interest received		<u>2,201</u>	<u>251</u>
Net cash (used in)/ provided by investing activities		<u>(638,442)</u>	<u>251</u>
Net increase in cash and cash equivalents		568,229	336,409
Cash and cash equivalents at beginning of financial year		<u>1,823,737</u>	<u>1,487,328</u>
Cash and cash equivalents at end of financial year		<u>2,391,966</u>	<u>1,823,737</u>
Cash and cash equivalents comprise:			
Cash in hand		1,405	3,854
Cash in banks		888,434	1,319,883
Fixed deposits		<u>1,502,127</u>	<u>500,000</u>
	7	<u>2,391,966</u>	<u>1,823,737</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

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") was registered under the Societies Act (Chapter 311) on 16 January 2004. The Society became a registered charity under the Charities Act (Chapter 37) on 13 October 2004. The address of its registered office and principal place of business is located at 102 Yishun Avenue 5 #03-131 Singapore 760102.

The Society has been accorded an Institution of Public Character ('IPC') status for the period from 1 November 2012 to 31 October 2015.

The objectives of Society are to assist homeless families and individuals by providing transitional accommodation, food rations, assistance with employment and permanent housing search plus enhancement to their life skills (e.g. financial budgeting, behaviour management, social skills training). Activities and programs like walkathon, football, choirs, retreats, etc. are organized to build up their self-esteem.

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). 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 CAS 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 that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income is recognized as follows:

2.2.1 Rendering of services

Revenue from services is recognized over the period in which the services are rendered, using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.2 Grants

Grants are recognized at their fair value where there is reasonable assurance that the grants will be received and all related conditions will be complied with.

2.2.3 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kinds are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.4 Interest income

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

2.2.5 Rental income

Rental income is recognized when incurred.

2.2.6 Other Income

Other income is recognized when incurred.

2.3 Property, plant and equipment

2.3.1 Measurement

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of property, plant and equipment initially recognized 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

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computer and office equipment	3 years
Furniture and fittings	5 years
Motor vehicle	3 years
Renovation	3 years

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment (Cont'd)

2.3.2 Depreciation (Cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognized 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 recognized as repair and maintenance expenses in 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 disposals proceeds and its carrying amount is taken to the statement of financial activities.

2.4 Financial assets

2.4.1 Classification

The Society classifies its financial assets in the following categories: loans and 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.

Loans and receivables

Loans and 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 statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "other receivables" and "cash and cash equivalents" on the statement of financial position.

2.4.2 Recognition and derecognition

Financial assets are derecognized 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.

2.4.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs. Loans and receivables are subsequently carried at amortized cost using effective interest method.

2. Significant accounting policies (Cont'd)

2.5 Leases

Operating leases

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 statement of financial activities 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.

2.6 Other payables

Other payables excluding accruals are initially recognized at transaction price, excluding transaction costs. Accruals are recognized at the best estimate of the amount payable. Transaction costs are recognized in the statement of financial activities as incurred.

2.7 Other receivables

Other receivables excluding prepayments are initially recognized at transaction price, excluding transaction costs. Prepayments are initially recognized at the amount paid in advance for the economic resources expected to be received in the future. Transaction costs are recognized in the statement of financial activities as incurred.

2.8 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized 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.

2.9 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 recognized as employee compensation expense when they are due.

2.10 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.

2. Significant accounting policies (Cont'd)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions that are subject to an insignificant risk of change in value.

2.12 Related parties

Related parties are entities with one or more common Board 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 Society's accounting policies

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

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. Income tax

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

5. Donations

	2013	2012
	S\$	S\$
Tax exempt donations	230,226	275,858
Non-tax exempt donations	57,106	111,878
	<u>287,332</u>	<u>387,736</u>

The donations were allocated as follows:

• Donations	106,986	312,618
• Walkathon fundraising event	180,346	75,118
	<u>287,332</u>	<u>387,736</u>

6. Staff costs

Included in the expenses expended are the following staff costs:

	2013	2012
	S\$	S\$
CPF and SDL	98,394	78,000
Development and training	8,973	3,770
Foreign worker levy and EP application fee	3,510	4,487
Medical insurance	5,145	4,498
Miscellaneous benefits	3,736	4,330
Retreat	6,624	6,593
Staff dental benefits	1,633	979
Staff medical benefits	1,898	2,126
Staff salaries and bonuses	761,047	628,253
Staff team building	548	0
Staff transport	3,810	988
Worker injury compensation insurance	898	905
Others	122	89
	<u>896,338</u>	<u>735,018</u>

The staff costs were allocated as follows:

- Costs of charitable activities
- Governance and other administrative costs

	S\$	S\$
• Costs of charitable activities	581,723	477,005
• Governance and other administrative costs	314,615	258,013
	<u>896,338</u>	<u>735,018</u>

7. Cash and cash equivalents

	2013	2012
	S\$	S\$
Cash in hand	1,405	3,854
Cash at banks	<u>888,434</u>	<u>1,319,883</u>
	889,839	1,323,737
Fixed deposits	<u>1,502,127</u>	<u>500,000</u>
	<u>2,391,966</u>	<u>1,823,737</u>

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

Fixed deposits at the statement of financial position date had an average maturity less than 12 months (2012: less than 12 months) from that date and had a weighted average effective interest rate of 0.51% (2011: 0.04%) per annum.

8. Other receivables

	2013 S\$	2012 S\$
Other receivables:		
Other receivables	3,136	2,974
Deposits	17,010	16,213
Prepayments	11,769	11,976
Grant receivables	153,963	247,396
Interest receivables	5,430	0
	<u>191,308</u>	<u>278,559</u>

At the date of the statement of financial position, the carrying amounts of other receivables approximated their fair value.

9. Property, plant and equipment

2013	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
Cost				
Computer and office equipment	10,579	74,984	0	85,563
Furniture and fittings	11,343	84,404	0	95,747
Motor vehicles	85,421	0	0	85,421
Renovation	9,060	481,255	0	490,315
	<u>116,403</u>	<u>640,643</u>	<u>0</u>	<u>757,046</u>
	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
Accumulated depreciation				
Computer and office equipment	9,912	724	0	10,636
Furniture and fittings	9,133	780	0	9,913
Motor vehicles	85,421	0	0	85,421
Renovation	7,978	1,082	0	9,060
	<u>112,444</u>	<u>2,586</u>	<u>0</u>	<u>115,030</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Computer and office equipment	667			74,927
Furniture and fittings	2,210			85,834
Motor vehicles	0			0
Renovation	1,082			481,255
	<u>3,959</u>			<u>642,016</u>

9. Property, plant and equipment (Cont'd)

2012	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
Cost				
Computer and office equipment	10,579	0	0	10,579
Furniture and fittings	11,343	0	0	11,343
Motor vehicles	85,421	0	0	85,421
Renovation	9,060	0	0	9,060
	<u>116,403</u>	<u>0</u>	<u>0</u>	<u>116,403</u>
	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
Accumulated depreciation				
Computer and office equipment	9,245	667	0	9,912
Furniture and fittings	8,222	911	0	9,133
Motor vehicles	85,421	0	0	85,421
Renovation	6,534	1,444	0	7,978
	<u>109,422</u>	<u>3,022</u>	<u>0</u>	<u>112,444</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Computer and office equipment	1,334			667
Furniture and fittings	3,121			2,210
Motor vehicles	0			0
Renovation	2,526			1,082
	<u>6,981</u>			<u>3,959</u>

Fully depreciated property, plant and equipment are still in use.

10. Other payables

	2013 S\$	2012 S\$
Accruals	470,855	82,326
Deposits received	2,445	0
YMCA Welfare Fund	479	0
	<u>473,779</u>	<u>82,326</u>

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

11. General Fund

The General Fund is for the purpose of meeting operating expenses incurred by the Society.

12. Capital Expenditure Fund

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

13. Children's Choir Fund

The Children's Choir Fund 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.

14. Families Shelter Fund (Give2Asia)

Give2Asia is an agent, through which donors from United States can give donations.

15. HOPE Scheme Programme Fund

The Home Ownership Plus Education (HOPE) Scheme offers comprehensive assistance to young low-income families and their children to help them break out of the poverty cycle. The HOPE Outreach Programme aims to pilot a range of targeted outreach strategies to promote HOPE to eligible families.

16. Life Skills Programme Fund

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 mind set, budgeting skills, problem solving skills and sharing about employment. The project includes retreats cum children camps, which are aimed at encouraging family bonding.

17. New Hope Shelter Fund

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 the Society 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).

18. Project Hope Fund

Hope Project is about changing lives through sports.

In 2009, the Society 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, the Society launched another project "Team Hope - Running" to fulfil the same objective - to rebuild their lives.

19. Transitional Shelter for Families in Crisis Fund

This is a pilot project in collaboration with MSF, 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 63 (2012: 43) approved HDB units allocated to NCSS in this pilot. As part of the agreed service model, the Society would need to provide counselling services as well as basic life skills programmes depending on the needs of the families.

20. Character Building Fund

The Character Building Fund is about an education program which cultivates good habits and character traits into the children.

21. Office Building Fund

This is a building fund for building and renovating the new office of the Society. The new office is located at Block 148 Yishun Street 11, #01-123, Singapore 760148.

22. Related party transactions

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

	2013	2012
	S\$	S\$
Salaries and other short-term employee benefits	116,784	82,256
Post-employment benefits – contribution to CPF	14,186	9,903
	<u>130,970</u>	<u>92,159</u>
No. of executive of the Society in remuneration bands:		
Below S\$150,000	<u>1</u>	<u>1</u>

During the financial year, none of the management committee members received any remuneration from the Society.

23. Operating lease commitment

The Society leases office premises under non-cancellable operating lease agreement from non-related party. The lease has varying terms, escalation clauses and renewal rights.

	2013	2012
	S\$	S\$
Not later than one year	103,224	59,494
Later than one year but not later than five years	<u>49,507</u>	<u>18,678</u>

24. Fund management policy

The primary objective of the Home is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

25. Reserve position and policy

The Society's reserve position (excluding non-current assets) for financial year ended 31 December 2013 is as follows:

		2013	2012	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds	846	721	17.34
B	Restricted Funds	1,906	1,303	46.38
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	2,752	2,024	35.97
E	Total Annual Operating Expenditure	1,397	1,245	12.21
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.61	0.58	5.17

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.

The Society's Reserve Policy is as follows:

The maximum operating reserves for New Hope Community Services shall be three (3) years of the amount of the annual operating expenditure.

26. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee of the Society on an informal basis.

Currency risk

The Society is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

Interest rate risk

The Society is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest bearing assets comprise bank balances and fixed deposits which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Society. No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The major classes of financial assets of the Society are bank deposits. For other financial assets, the Society adopts the policy of dealing only with high credit quality counterparties.

Liquidity risk

The Society adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents to finance its activities and minimize the liquidity risk.

27. Authorisation of financial statements

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

27 MAY 2014