PARKINSON SOCIETY SINGAPORE
(FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
(Registered in Singapore)
(UEN: S96SS0203J)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2014
TOGETHER WITH REPORTS OF
EXECUTIVE COMMITTEE AND AUDITORS

PARKINSON SOCIETY SINGAPORE
(FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
(Registered in Singapore)
(UEN: S96SS0203J)
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Registered office	Block 191 Bishan Street 13 #01-415 Singapore 570191		
Committee Members	Lau Meow Hoon, Julie	-	President
	Lam Hock Choon	-	Vice-President
	Christine Kang Hwee	-	Treasurer
	Foo Chee Lee	-	Assistant Treasurer
	Dr Tan Chew Seng, Louis	-	Secretary
	Dr Tan Eng King	-	Committee Member
	Dr Au Wing Lok	-	Committee Member
	Dr Tan Siok Bee	-	Committee Member
	Chiang Khiang Long	-	Committee Member
	Neo Lay Tin	-	Committee Member
	Goh Sin Sing Theresa	-	Committee Member
	Alisa Tan Mei Fung	-	Committee Member
	Dr Dawn Tan May Leng	-	Committee Member
	Dr Prakash Kumar	-	Committee Member
	Dr Tay Kay Yaw	-	Committee Member
	Hung Kwang Hou	-	Committee Member
	Li Wei	-	Committee Member
Bankers	Oversea Chinese Banking Corporation CIMB Bank Berhad		
Independent Auditors	Crowe Horwath First Trust LLP Chartered Accountants of Singapore 8 Shenton Way #05-01 AXA Tower Singapore 068811		

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FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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PARKINSON SOCIETY SINGAPORE
(FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
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FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

STATEMENT BY THE EXECUTIVE COMMITTEE

In the opinion of the Executive Committee:

(a) the financial statements set out on pages 4 to 20 are drawn up in accordance with the provision of the Singapore Societies Act, Chapter 311, Singapore Charities Act, Chapter 37 and Singapore Financial Reporting Standards so as to present fairly the state of affairs of Parkinson Society Singapore (Formerly known as Parkinson's Disease Society (Singapore)) (the "Society") as at 31 December 2014 and of the statement of income and expenditure, statement of changes in funds and statement of cash flows of the Society for the financial year ended on that date; and

(b) 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 Executive Committee authorised the issue of these financial statements.

On behalf of the Executive Committee

LAU MEOW HOON, JULIE
President

CHRISTINE KANG HWEE
Treasurer

20 April 2015

Crowe Horwath First Trust LLP
Chartered Accountants of Singapore
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINSON SOCIETY SINGAPORE (FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
(Registered under the Societies Act, Chapter 311)

Report on the Financial Statements

We have audited the accompanying financial statements of Parkinson Society Singapore (Formerly known as Parkinson's Disease Society (Singapore)) (the "Society") set out on pages 4 to 20, which comprise the balance sheet of the Society as at 31 December 2014, the statement of income and expenditure, the statement of changes in funds and the statement of cash flows of the Society for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Societies Act, Chapter 311 (the "Regulations"), Singapore Charities Act, Chapter 37 (the "Act"), and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

The Executive Committee is also responsible to ensure that the 30% cap in Regulations 7 of the Act (Fund-Raising Appeals) (Amendments) Regulations 2012 has not been exceeded.

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 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 auditor's judgment, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Executive Committee, 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.

Crowe Horwath.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINSON SOCIETY SINGAPORE (FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
(Registered under the Societies Act, Chapter 311)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Regulations, the Act and Singapore Financial Reporting Standards so as to present fairly in all material aspects the state of affairs of the Society as at 31 December 2014, and of the results, changes in funds and cash flows for the financial year ended on that date.

Report on Other Legal and Regulations Requirements

During the course of our audit, nothing has come to our attention to cause us to believe that:-

(a) the accounting and other records required by the Regulations and the Act to be kept by the Society have not been properly kept in accordance with the provisions of the Regulations and the Act;

(b) the Society did not comply with Regulations 7 of the Act (Fund-Raising Appeals) (Amendments) Regulations 2012 and Regulation 6 of the Societies Regulations; and

(c) the donation monies have not been used in accordance with the objective of the Society as an Institution of Public Character.

Crowe Horwath ~~First~~ First Trust LLP

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

20 April 2015

PARKINSON SOCIETY SINGAPORE
(FORMERLY KNOWN AS PARKINSON'S DISEASE SOCIETY (SINGAPORE))
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BALANCE SHEET
AS AT 31 DECEMBER 2014
(Amounts in Singapore dollar)

	Note	2014 $	2013 $
ASSETS			
Non-current asset			
Property, plant and equipment	3	515,700	517,714
Current assets			
Other receivables and prepayments	4	11,196	5,321
Cash and cash equivalents	5	1,116,661	848,088
		1,127,857	853,409
TOTAL ASSETS		1,643,557	1,371,123
LIABILITIES AND FUNDS			
Current liabilities			
Deferred capital grant	6	426,858	400,062
Accrued expenses	7	41,622	8,358
		468,480	408,420
Funds			
Unrestricted fund		946,926	732,703
Restricted fund		228,151	230,000
		1,175,077	962,703
TOTAL LIABILITIES AND FUNDS		1,643,557	1,371,123

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

PARKINSON SOCIETY SINGAPORE
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STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Amounts in Singapore dollar)

	Note	2014	2013
		$	$
INCOME			
Donations		23,932	80,099
Subscriptions		10,725	11,900
Interest income		5,277	1,509
Merchandise sales		1,734	906
VWOs-Charities Capability Fund funding		1,980	-
Fund raising income		428,572	317,310
Grant income		238,413	73,884
Grant income – deferred capital grant	6	57,005	32,124
Programme income		60,742	54,735
Other income		5,414	2,289
Total income		833,794	574,756
LESS: EXPENDITURE			
Manpower cost		229,448	129,439
Programme Instructors' fee		66,634	39,605
Programme cost		27,123	6,076
Volunteer development & recognition		8,598	4,080
Depreciation of plant and equipment	3	78,213	69,570
Administrative expenses		6,960	9,170
Accounting fees		12,748	12,599
Audit fees		4,217	3,500
Bank charges		1,322	335
Printing, stationery and postages		9,587	4,994
Refreshments		1,520	889
Facilities management expenses		11,451	6,076
Rental of equipment and facilities		13,842	13,732
Public education & publicity		74,472	15,335
General insurance		5,106	3,866
General expenses		560	1,063
General utilities		9,369	9,319
Fund raising expenses		56,162	16,545
Transportation		1,878	622
Patients' welfare fund		2,210	2,595
Total expenditure		621,420	349,410
Surplus before tax		212,374	225,346
Income tax	8	-	-
Surplus for the year representing total comprehensive income for the year		212,374	225,346

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

PARKINSON SOCIETY SINGAPORE
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STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Amounts in Singapore dollar)

	Unrestricted Fund	Restricted Fund	Total
	$	$	$
Balance at 1 January 2013	726,586	10,771	737,357
Reclassification of fund	(221,824)	221,824	-
Total comprehensive income / (expenditure) for the year	227,941	(2,595)	225,346
Balance at 31 December 2013	732,703	230,000	962,703
Balance at 1 January 2014	732,703	230,000	962,703
Reclassification of fund	(361)	361	-
Total comprehensive income / (expenditure) for the year	214,584	(2,210)	212,374
Balance at 31 December 2014	946,926	228,151	1,175,077

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

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Amounts in Singapore dollar)

	2014 $	2013 $
Cash flows from operating activities		
Surplus for the year	212,374	225,346
Adjustments:		
Depreciation of property, plant and equipment	78,213	69,570
Grant income – Deferred capital grant	(57,005)	(32,124)
Interest income	(5,277)	(1,509)
Operating cash flows before changes in working capital	228,305	261,283
Other receivables and prepayments	(5,875)	327
Collections in advance	-	(3,550)
Deferred capital grant	83,801	432,186
Accrued expenses	33,264	(4,598)
Cash generated from operations	339,495	685,648
Interest received	5,277	1,509
Net cash from operating activities	344,772	687,157
Cash flows from investing activities		
Purchase of property, plant and equipment, representing net cash used in investing activity	(76,199)	(19,850)
Net increase in cash and bank balances	268,573	667,307
Cash and bank balances at the beginning of the year	848,088	180,781
Cash and bank balances at the end of the year	1,116,661	848,088

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

1. GENERAL INFORMATION

Parkinson Society Singapore (Formerly known as Parkinson's Disease Society (Singapore)) (the "Society") was registered as a society under the Singapore Societies Act, Chapter 311 and is domiciled in Singapore. The Society is registered as an exempt charity and is also subject to the provisions of the Charities Act, Chapter 37. The registered office and place of operations of the Society is at Block 191 Bishan Street 13, #01-415, Singapore 570191.

The Society is conferred the Institution of Public Character status (IPC No: HEF0080/G). Accordingly, qualifying donors are granted tax deduction for the donations made to the Society.

The Society's principal activities are providing financial care and other assistance to patients affiliated with Parkinson's disease. There have been no significant changes in the nature of the principal activities during the financial year.

With effect from 24 February 2014, the name of the Society was changed from Parkinson's Disease Society (Singapore) to Parkinson Society Singapore. The financial statements of the Society for the financial year ended 31 December 2014 were authorised for issue by the Executive Committee on the date of the statement by the Executive Committee on 20 April 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the Singapore Societies Act, Chapter 311, Singapore Charities Act, Chapter 37, and Singapore Financial Reporting Standards ("FRS"). The financial statements are presented in Singapore dollar ("$").

The preparation of the financial statements in conformity with FRS requires Executive Committee 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 affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates are based on Executive Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

Adoption of new and revised standards

On 1 January 2014, the Society adopted the new or amended FRS and Interpretations of 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 transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Society's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Society has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
- Amendment to FRS 102 *Share-based Payment*	1 July 2014*
- Amendment to FRS 103 *Business Combinations*	1 July 2014^
- Amendment to FRS 108 *Operating Segments*	1 July 2014
- Amendment to FRS 16 *Property, Plant and Equipment*	1 July 2014
- Amendment to FRS 24 *Related Party Disclosures*	1 July 2014
- Amendment to FRS 38 *Intangible Assets*	1 July 2014
Improvements to FRSs (February 2014)	
- Amendment to FRS 103 *Business Combinations*	1 July 2014
- Amendment to FRS 113 *Fair Value Measurement*	1 July 2014
- Amendment to FRS 40 *Investment Property*	1 July 2014
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 16 and FRS 41: *Agriculture: Bearer Plants*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Improvements to FRSs (November 2014)	
- Amendment to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
- Amendment to FRS 107 *Financial Instruments : Disclosures*	1 January 2016
- Amendment to FRS 19 *Employee Benefits*	1 January 2016
- Amendment to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

* *The amendment applies prospectively to share-based payment transactions with a grant date on or after 1 July 2014*

^ *The amendment applies prospectively to business combination for which the acquisition date is on or after 1 July 2014*

The Executive Committee expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is 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. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Society recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in statement of income and expenditure when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives. The estimated useful lives have been taken as follows:

	Useful lives (Years)
Furniture and fittings	3 to 5
Gym equipment	5
Leasehold improvement	10

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The estimated useful life and depreciation method are reviewed periodically to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits derived from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of income and expenditure.

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 such indication exists, or when an annual impairment assessment for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

Impairment losses are recognised in statement of income and expenditure in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Society estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This 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 the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Financial assets

(i) Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial assets are initially recognised at fair value plus, in the case of financial assets classified as held-to-maturity, directly attributable transaction costs.

The Society classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Executive Committee determines the classification of its financial assets at initial recognition and for held-to-maturity investments, re-evaluates this designation at every balance sheet date. As at the balance sheet date, the Society has no financial assets in the category of fair value through profit or loss, held to maturity investments and available-for-sale financial assets.

(ii) Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Society provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as other receivables and deposit, and cash and bank balances on the balance sheet.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate 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.

(iii) Derecognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets

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

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

An impairment loss is recognised in statement of income and expenditure when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of income and expenditure.

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

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

If in a subsequent period, the amount of the impairment loss 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 statement of income and expenditure.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities 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 liabilities at initial recognition. 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.

(ii) Subsequent measurement

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in statement of income and expenditure when liabilities are derecognised, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, 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 an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of income and expenditure.

Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income and expenditure on a straight-line basis over the lease term.

Provisions

A provision is recognised when the Society has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Funds

Unrestricted fund

Funds are available for use at the discretion of the Executive Committee in furtherance of the Society's objects.

Restricted fund

Patient's Welfare fund which is administered by Patient Welfare sub-committee was set up to provide financial assistance to needy patients.

Revenue recognition

Revenue from membership subscription is recognised on time apportionment basis over the period of the membership, with the unrecognized portion recorded as membership subscription received in advance in the balance sheet.

Revenue from sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Donations are recognised in the statement of income and expenditure on an accrual basis when the donations are committed to the Society.

Donation-in-kind is recognised when the fair value of the assets received can be reasonably ascertained.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Employees' benefits

(i) Retirement benefits

The Society makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution retirement schemes.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the balance sheet date.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an expense item, it is recognised in the statement of income and expenditure over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Government grants relating to the fixed asset purchased are included in the balance sheet as deferred capital grant and are credited to the statement of income and expenditure on a straight-line basis over the expected lives of the related assets.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) An entity is related to the Society if any of the following conditions applies:

(i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(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.
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key Executive Committee personnel of the entity.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprises cash on hand, deposits with financial institutions and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

Critical accounting estimates and judgements

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

<u>Useful lives of property, plant and equipment</u>

The property, plant and equipment are depreciated on a straight-line basis over the respective asset's estimated economic useful lives. The Executive Committee exercised their judgement on estimating the useful lives at the end of each reporting period. The total carrying amount of the property, plant and equipment of the Society is disclosed in Note 3. Changes in the expected level of usage could impact the useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

3. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Gym equipment	Leasehold improvement	Total
	$	$	$	$
Cost				
At 1 January 2013	15,007	70,422	496,598	582,027
Additions	7,712	-	12,138	19,850
Write off	(1,300)	-	-	(1,300)
At 31 December 2013	21,419	70,422	508,736	600,577
At 1 January 2014	21,419	70,422	508,736	600,577
Additions	7,705	-	68,494	76,199
At 31 December 2014	29,124	70,422	577,230	676,776
Accumulated depreciation				
At 1 January 2013	4,096	2,321	8,176	14,593
Depreciation charge for the year	5,081	14,084	50,405	69,570
Write off	(1,300)	-	-	(1,300)
At 31 December 2013	7,877	16,405	58,581	82,863
At 1 January 2014	7,877	16,405	58,581	82,863
Depreciation charge for the year	7,152	14,084	56,977	78,213
At 31 December 2014	15,029	30,489	115,558	161,076
Net carrying amount				
At 31 December 2014	14,095	39,933	461,672	515,700
At 31 December 2013	13,542	54,017	450,155	517,714
At 1 January 2013	10,911	68,101	488,422	567,434

4. OTHER RECEIVABLES AND PREPAYMENTS

	2014	2013
	$	$
Other receivables	1,722	1,143
Prepayments	7,924	2,879
Deposits	1,550	1,299
	11,196	5,321

5. CASH AND CASH EQUIVALENTS

	2014	2013
	$	$
Cash and bank balances	459,581	345,333
Fixed deposits	657,080	502,755
Cash and cash equivalents	1,116,661	848,088

The fixed deposits at balance sheet date have a maturity of 3 to 12 months (2013: 6 to 12 months) from the end of the financial year end. The effective interest rates for the fixed deposits range from 0.25% to 1.12% (2013: 0.25% to 1.10%) per annum.

Fixed deposits with maturity dates more than 3 months can be withdrawn anytime before the maturity dates without penalty. As the principal value of the deposits is readily convertible to cash, they form part of the cash and cash equivalents in the statement of cash flows.

6. DEFERRED CAPITAL GRANT

	2014	2013
	$	$
Balance as at beginning of the year	400,062	-
Amount transferred from grant income	83,801	432,186
Deferred capital grant amortised during the year	(57,005)	(32,124)
Balance as at end of the year	426,858	400,062

The deferred capital grant will be amortise subsequently in the statement of income and expenditure over the period necessary to match income and expenditure on a systematic basis.

7. ACCRUED EXPENSES

	2014	2013
	$	$
Accrued operation expenses	41,622	8,358

8. INCOME TAX

The Society is registered as a charity under the Singapore Charities Act, Chapter 37. With effect from Year of Assessment 2008, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule.

9. TAX-EXEMPT RECEIPTS DONATION

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the Society.

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to $384,701 (2013: $387,626).

10. RELATED PARTY TRANSACTIONS

Key Executive Committee personnel comprise members of the Executive Committee.

The Executive Committee members, or people connected with them, have not received any monetary remuneration, or other benefits, from the Society for their contribution for the financial years ended 31 December 2014 and 31 December 2013.

There is no claim by the Executive Committee members for services provided to the Society, either by reimbursement to the Executive Committee members or by providing the Executive Committee members with an allowance or by direct payment to a third party.

11. EMPLOYEE BENEFITS COST

There are no employees with emoluments above $100,000.

12. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Society's activities expose it to a variety of financial risks primarily liquidity risk, credit risk and interest rate risk. Overall risk is monitored by the Executive Committee. The Society's overall financial risk management strategy remains unchanged from 2013.

(i) Market risk

(a) Foreign currency risk

The Society is not exposed to any foreign currency risk. Accordingly, sensitivity analysis is not necessary. The society does not engage in trading or speculation in foreign currencies.

(b) Interest rate risk

The Society constantly monitors its interest rate risk and does not utilise forward contracts or other arrangements for trading or speculative purposes. As at 31 December 2014, there were no interest rate swap contracts or other derivative instruments outstanding.

12. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) Interest rate risk (Continued)

The Society has no interest-bearing financial liabilities. The following table sets out the carrying amount, by maturity, of the Society's financial instruments, that are exposed to interest rate risk:

	2014	2013
	$	$
Within one year – fixed rates		
Fixed deposits	657,080	502,755

Interests on financial instruments are fixed until the maturity of the instruments.

The Society's statement of income and expenditure and unrestricted fund are not significantly affected by changes in interest rates as the interest-bearing financial instruments carry fixed interest rates. As such, sensitivity analysis is not necessary.

(ii) Liquidity risk

The Society is primarily funded by general donations received. The Society monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by Executive Committee to finance the Society's operations and to mitigate the effects of fluctuations in cash flows. Typically the Society ensures that it has sufficient cash on demand to meet expected operational expenses. The financial liabilities of the Society as at 31 December 2014 and 2013 are repayable on demand or due within 1 year from the balance sheet date.

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The carrying amounts of cash and bank balance, other receivables and deposits represent the Society's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk. Cash and bank balance is placed with reputable licensed financial institutions.

(iv) Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities reported on the balance sheet are reasonable approximation of fair values to the relatively short-term maturity of these financial instruments.

12. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(v) Categories of financial instruments

The following table sets out the financial instruments as at the balance sheet date:

	2014 $	2013 $
Cash and other receivables	1,119,933	850,530
Financial liabilities at amortised cost	41,622	8,358

Capital risk management policies and objectives

The Executive Committee reviews its fund regularly to ensure that the Society will be able to continue as a going concern. The Society's reserves policy focuses on the level of the unrestricted fund. The Society relies on cash donations, which by their nature are unpredictable to support the Society's activities.

The amount of fund will be regularly reviewed by the Executive Committee to ensure that they are adequate to fulfill continuing obligations. The reserve policy of the Society is to hold reserves of up to 3 times over annual operating expenses.