

**SMA CHARITY FUND
(UEN: 201305017E)**

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

SMA CHARITY FUND
(UEN: 201305017E)

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the Company for the year ended 31 December 2014.

1. DIRECTORS

The directors in office at the date of this report are:-

LIM FUNG WAN, COLIN
SITOH YIH PIN
TAN SZE WEE
THALI KOATTIATH UDAIRAM
THIO LI-ANN
TOH CHAI SOON (Appointed on 6 April 2014)
WONG CHIANG YIN
WONG TIEN YIN

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Company is a company limited by guarantee and has no share capital.

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The Company is a company limited by guarantee.

There were no shares or debentures issued.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

5. OPTIONS GRANTED, EXERCISED AND OUTSTANDING

There are no options granted, exercised and outstanding to take up unissued shares as the Company is limited by guarantee.

SMA CHARITY FUND
(UEN: 201305017E)

DIRECTORS' REPORT

6. AUDITORS

The auditors, Kreston David Yeung PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board,

WONG TIEN YIN
Director

Singapore, 9 March 2015

WONG CHIANG YIN
Director

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT BY DIRECTORS

In the opinion of the directors: -

- i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014, and its financial activities, changes in general and specific funds and cash flows of the Company for the year ended on that date; and
- ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the directors,

WONG TIEN YIN
Director

WONG CHIANG YIN
Director

Singapore, 9 March 2015



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SMA CHARITY FUND (UEN: 201305017E)

Report on the Financial Statements

We have audited the accompanying financial statements of SMA Charity Fund (“the Company”), which comprise the statement of financial position as at 31 December 2014, and the statement of financial activities, statement of changes in general and specific fund, and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes of the Company as set out on pages 6 to 20.

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 Singapore Charities Act, Cap. 37, Singapore Companies Act, Cap. 50, 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 statement of financial activities and balance sheet 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 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 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 control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SMA CHARITY FUND (UEN: 201305017E)**

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provision of the Singapore Charities Act, Cap. 37, Singapore Companies Act, Cap. 50, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and its financial activities, changes in general and specific fund and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

- a) the accounting and other records required by the above regulations to be kept by the Company have been properly kept in accordance with these regulations; and
- b) the use of donation money received is in accordance with the Company's objectives.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 9 March 2015

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF FINANCIAL POSITION
As at 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Non-current asset			
Plant and equipment	3	-	-
Current assets			
Prepayment		2,497	2,497
Cash at bank		233,552	58,524
Total current assets		<u>236,049</u>	<u>61,021</u>
Total assets		<u>236,049</u>	<u>61,021</u>
FUND AND LIABILITIES			
Funds			
Restricted Funds			
Medical Students' Assistance Fund	4	62,038	-
Unrestricted Fund			
Accumulated Fund		<u>172,459</u>	<u>58,667</u>
Total funds		<u>234,497</u>	<u>58,667</u>
Current liability			
Accruals		<u>1,552</u>	<u>2,354</u>
Total current liability		<u>1,552</u>	<u>2,354</u>
Total funds and liability		<u>236,049</u>	<u>61,021</u>

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2014

	Note	Unrestricted Funds S\$	Restricted Fund S\$	2014 S\$	2013 S\$
Income					
Income from generated funds:					
Voluntary income					
Donation	5	231,355	92,038	323,393	70,060
VCF ICT grant		1,100	-	1,100	-
Total income		232,455	92,038	324,493	70,060
Expenditures					
Cost of generating funds					
Bank charges		494	-	494	-
General expenses		180	-	180	-
Management fee		3,724	-	3,724	-
Postage		145	-	145	-
Printing and stationery		2,186	-	2,186	-
Staff cost		19,794	-	19,794	-
Transaction charge		179	-	179	-
Transportation		7	-	7	-
		26,709	-	26,709	-
Resources expended on charitable activities					
Management fee		7,447	-	7,447	757
Medical Students' Assistance Fund		-	30,000	30,000	-
Programme to promote exposure		3,711	-	3,711	-
Programme to promote medical research		450	-	450	-
Programme to promote volunteerism		14,300	-	14,300	-
Refreshment		7	-	7	-
Staff cost		19,794	-	19,794	-
Transportation		8	-	8	20
Website expenses		-	-	-	2,996
		45,717	30,000	75,717	3,773
Governance costs					
Audit and secretarial fee		2,033	-	2,033	3,104
Bank charges		70	-	70	241
Depreciation		1,905	-	1,905	-
General expenses		140	-	140	-
Insurance		4,254	-	4,254	1,248
Management fee		26,065	-	26,065	3,027
Medical fee		75	-	75	-
Printing and stationery		1,288	-	1,288	-
Rental (space and equipment)		120	-	120	-
Staff cost		9,897	-	9,897	-
Staff training		330	-	330	-
Staff welfare		50	-	50	-
Transportation		10	-	10	-
		46,237	-	46,237	7,620
Total expenditures		118,663	30,000	148,663	11,393
Net surplus	6	113,792	62,038	175,830	58,667
Total fund brought forward		58,667	-	58,667	-
Total fund carried forward		172,459	62,038	234,497	58,667

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUND
For the year ended 31 December 2014

	Accumulated Fund S\$	Medical Students' Assistance Fund S\$	Total Funds S\$
Net surplus for the period			
- Unrestricted funds	58,667	-	58,667
Balance as at 31.12.2013/01.01.2014	58,667	-	58,667
Net surplus for the year			
- Unrestricted funds	113,792	-	113,792
- Restricted fund	-	62,038	62,038
Balanec as at 31.12.2014	172,459	62,038	234,497

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	Year ended 31.12.2014 S\$	Period from 25.02.2013 to 31.12.2013 S\$
Cash flows from operating activities		
Net surplus before taxation	113,792	58,667
Adjustments for:-		
Depreciation of plant and equipment	<u>1,905</u>	<u>-</u>
Operating surplus before working capital changes	115,697	58,667
Changes in working capital:-		
Increase in prepayment	-	(2,497)
(Decrease)/Increase in accruals	<u>(802)</u>	<u>2,354</u>
Cash generated from operations	114,895	58,524
Increase in specific funds	<u>62,038</u>	<u>-</u>
Net cash generated from operating activities	<u>176,933</u>	<u>58,524</u>
Cash flows from investing activities		
Purchase of plant and equipment	<u>(1,905)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,905)</u>	<u>-</u>
Net increase in cash and cash equivalents	175,028	58,524
Cash and cash equivalents at beginning of year/period	<u>58,524</u>	<u>-</u>
Cash and cash equivalents at end of year/period	<u>233,552</u>	<u>58,524</u>

The notes set out on pages 10 to 20 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

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

1. GENERAL

The Company is registered as a private company limited by guarantee and domiciled in the Republic of Singapore.

The Company has been registered under the Charities Act, Cap. 37 with effect from 17 April 2013. It had been granted IPC status for the period from 27 December 2013 to 26 December 2014. The IPC status has been renewed for a further period of two years until 26 December 2016.

The principal activities of the Company consist of financial assistance bursaries, health and public health-related education, and promotion of volunteerism.

The registered office and principal place of business of the Company is located at 2 College Road, #02-00, Alumni Medical Centre, Singapore 169850.

The financial statements of the Company for the year ended 31 December 2014 are authorised for issue in accordance with a resolution of the directors on 9 March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Preparation**

The financial statements of the Company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new/revised FRSs, and INT FRSs has no material effect on the financial statements.

b) **Significant Accounting Estimates and Judgements**

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company’s accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The management is of the opinion that there are no critical estimates and judgements involved that have a significant effect on the amount recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

The residual values, useful life and depreciation method are reviewed at end of each reporting period, and adjusted as appropriate. The effects of any revision are recognised in statement of financial activities when the changes arise.

Depreciation is calculated on the straight-line method to write off the costs of the plant and equipment over their estimated useful lives as follows:-

Office equipment	1 year
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An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in statement of financial activities in the year the asset is derecognised.

d) Cash and Cash Equivalents

Cash and cash equivalents comprised cash at bank which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

e) Financial Assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

Subsequent measurement

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Financial Assets (Continued)**

Recognition and Derecognition

All financial assets are recognised on their trade-date - the date on which the Company commits to purchase or sell the asset.

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

f) **Impairment of Financial Assets**

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of financial activities.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost (Continued)

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company 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 financial activities.

g) Impairment of Non-Financial Assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company 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 independent of those from other assets or group of assets. When 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, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognised in statement of financial activities 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Impairment of Non-Financial Assets (Continued)

For assets excluding goodwill, an assessment is made at the end of each reporting period 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 Company 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 asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

i) Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Donation is recognised when money is received or pledged and collection is certain.

Grant income is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

j) Employee Benefits

Defined Contribution Plans

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. Accruals are made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Currency Translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“functional currency”). The financial statements of the Company are presented in Singapore dollar which is the functional currency of the Company.

Transactions and balances

Transactions 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. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to statement of financial activities.

l) Contingent Liabilities and Assets

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

m) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Financial Liabilities (Continued)**

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 statement of financial activities.

n) **Key Management Personnel**

Key management personnel of the Company are those having authority and responsibility for planning, directing and controlling the activities of the Company. The Directors and Chief Administrator are considered as key management personnel.

o) **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 Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company 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.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **Related Parties (Continued)**

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

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. PLANT AND EQUIPMENT

	Office Equipment S\$	Total S\$
Cost		
As at 25.02.2013 (date of incorporation)	-	-
Additions	-	-
	<hr/>	<hr/>
As at 31.12.2013/01.01.2014	-	-
Additions	1,905	1,905
	<hr/>	<hr/>
As at 31.12.2014	1,905	1,905
	<hr/>	<hr/>
Accumulated Depreciation		
As at 25.02.2013 (date of incorporation)	-	-
Charge for the period	-	-
	<hr/>	<hr/>
As at 31.12.2013/01.01.2014	-	-
Charge for the year	1,905	1,905
	<hr/>	<hr/>
As at 31.12.2014	1,905	1,905
	<hr/>	<hr/>
Net Book Value		
As at 31.12.2014	-	-
As at 31.12.2013	-	-
	<hr/>	<hr/>

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

4. MEDICAL STUDENTS' ASSISTANCE FUND

The fund is set up for the purpose of providing financial assistance to needy medical students.

	Year ended 31.12.2014 S\$	Period from 25.02.2013 to 31.12.2013 S\$
Balance at beginning of year	-	-
Add: Donation received from general public	92,038	
Less: Disbursement during the year	(30,000)	-
	<u>62,038</u>	<u>-</u>

5. INCOMING RESOURCES

	Year ended 31.12.2014 S\$	Period from 25.02.2013 to 31.12.2013 S\$
Voluntary income comprises:-		
Donations in cash		
- Tax-deductible donations	313,393	20,050
- Non-tax deductible donations	10,000	50,010
	<u>323,393</u>	<u>70,060</u>

6. NET SURPLUS

Net surplus for the year/period is arrived at after charging:-

Depreciation of plant and equipment	1,905	-
Management fees	37,236	3,784
Programme to promote volunteerism	14,300	-
Staff costs consist of:-		
- Contribution and skill development levy	6,900	-
- Staff salaries and other costs	42,585	-
	<u>92,926</u>	<u>-</u>

7. TAXATION

The Company is registered under the Charities Act and is exempted from income tax under the Income Tax Act Cap. 34.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

8. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere to the financial statements, the following related party transactions took place at terms mutually agreed between the parties:-

	2014	2013
	S\$	S\$
With an entity with common key management personnel:-		
Management fee expenses	37,236	3,784
Donation income	<u>100,000</u>	<u>20,000</u>

None of the directors received any emoluments in respect of their services as directors of the Company during the financial year/period.

9. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Company does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the Company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

The Company has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity Risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Company's financial liabilities is within 12 months from the end of the reporting period.

Interest Rate Risk

The Company is not exposed to interest rate risk as all financial assets and liabilities bear no interest rate as at the year end.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

9. FINANCIAL RISK MANAGEMENT (Continued)

Foreign Currency Risk

The Company is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

10. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at end of reporting period:-

	2014	2013
	S\$	S\$
<u>Assets</u>		
Loans and receivables:-		
Cash at bank	233,552	58,524
Total financial assets	<u>233,552</u>	<u>58,524</u>
<u>Liability</u>		
At amortised cost:-		
Accruals	1,552	2,354
Total financial liabilities	<u>1,552</u>	<u>2,354</u>

11. FAIR VALUE

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

12. FUNDS MANAGEMENT

The Management manages the fund to ensure that the Company will be able to continue as a going concern and fulfill its objectives and services to the community.

13. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2015. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.