

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

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
FOR THE PERIOD FROM 25 FEBRUARY 2013  
(DATE OF INCORPORATION) TO 31 DECEMBER 2013**

**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 period from 25 February 2013 (date of incorporation) to 31 December 2013.

**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  
WONG CHIANG YIN  
WONG TIEN YIN

**2. ARRANGEMENTS TO ACQUIRE SHARES AND DEBENTURES**

Since the date of incorporation, the Company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

**3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES**

The directors of the Company at the end of the financial period had no interest in the share capital of the Company as the Company is limited by guarantee.

**4. DIRECTORS' CONTRACTUAL BENEFITS**

Since the date of incorporation, 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 the 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.

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**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**

**WONG CHIANG YIN**  
**Director**

Singapore, 26 February 2014

**SMA CHARITY FUND**  
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**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 2013, and the results of the business, changes in equity and cash flows of the Company for the period from 25 February 2013 (Date of incorporation) to 31 December 2013; 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 Board,

**WONG TIEN YIN**  
**Director**

**WONG CHIANG YIN**  
**Director**

Singapore, 26 February 2014



## **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 (the "Company"), which comprise the statement of financial position as at 31 December 2013 and the income and expenditure statement, statement of comprehensive income, statement of changes in fund and statement of cash flows for the financial period from 25 February 2013 (date of incorporation) to 31 December 2013, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 16.

#### *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 Charities Act, Cap. 37 and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure statement 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 Act, Charities Act, Cap. 37 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 2013 and the results, changes in fund and cash flows for the financial period from 25 February 2013 (Date of incorporation) to 31 December 2013.

**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, 26 February 2014

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

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 DECEMBER 2013**

	S\$
<b>ASSETS</b>	
<b>Current assets</b>	
Prepayment	2,497
Cash at bank	<u>58,524</u>
<b>Total assets</b>	<u>61,021</u>
<b>Current liability</b>	
Accruals	<u>2,354</u>
<b>Net assets</b>	<u>58,667</u>
<b>Represented by:</b>	
Accumulated fund	<u>58,667</u>

*The accounting policies and explanatory notes form an integral part of financial statements*

**SMA CHARITY FUND**  
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**INCOME AND EXPENDITURE STATEMENT**  
**For the period from 25 February 2013**  
**(Date of incorporation) to 31 December 2013**

	Note	S\$
<b>Income</b>		
Donations		<u>70,060</u>
		70,060
Administrative and charitable expenses	3	<u>(11,393)</u>
Surplus before taxation		58,667
Taxation	4	<u>-</u>
Net surplus for the period		<u>58,667</u>

*The accounting policies and explanatory notes form an integral part of financial statements*



**SMA CHARITY FUND**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial period from 25 February 2013**  
**(Date of incorporation) to 31 December 2013**

	S\$
Net surplus for the period	58,667
Other comprehensive income	<u>-</u>
Total comprehensive income for the period	<u><u>58,667</u></u>

*The accounting policies and explanatory notes form an integral part of financial statements*

**SMA CHARITY FUND**  
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**STATEMENT OF CHANGES IN FUND**  
**For the financial period from 25 February 2013**  
**(Date of incorporation) to 31 December 2013**

	Accumulated surplus S\$	Total fund S\$
Balance as at 25.02.2013 (date of incorporation)	-	-
Total comprehensive income for the period	58,667	58,667
Balance as at 31.12.2013	<u>58,667</u>	<u>58,667</u>

*The accounting policies and explanatory notes form an integral part of financial statements*

**SMA CHARITY FUND**  
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**STATEMENT OF CASH FLOWS**  
**For the period from 25 February 2013**  
**(Date of incorporation) to 31 December 2013**

	S\$
<b>Cash flows from operating activities</b>	
Surplus before taxation	58,667
Change in working capital:-	
Increase in prepayment	(2,497)
Increase in accruals	2,354
	<hr/>
<b>Net cash generated from operating activities</b>	<b>58,524</b>
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<b>Net increase in cash and cash equivalents and at end of period</b>	<b>58,524</b>
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*The accounting policies and explanatory notes form an integral part of financial statements*

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**1. GENERAL**

The Company is registered as a private company limited by guarantee and domiciled in the Republic of Singapore. The Company was incorporated under the name of SMA Charity Fund Limited on 25 February 2013. The name of the Company was subsequently changed to SMA Charity Fund on 16 May 2013.

The Company has been registered under the Charities Act, Cap. 37 with effect from 17 April 2013. It has been granted IPC status for the period from 27 December 2013 to 26 December 2014.

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 period from 25 February 2013 (Date of incorporation) to 31 December 2013 are authorised for issue in accordance with a resolution of the directors on 26 February 2014.

**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”).

**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. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. 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.

**c) 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.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Financial Assets**

*Classification*

The Company classifies its financial assets as loans and receivables. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables consist of cash and cash equivalents.

*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.

*Measurement*

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

**e) 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.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Impairment of Financial Assets (Continued)**

Financial assets carried at amortised cost (Continued)

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 income and expenditure statement.

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 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 income and expenditure statement.

**f) 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.

**g) Income Recognition**

Revenue is recognised to the extent that 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.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) 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 the income and expenditure statement.

**i) 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.

**j) 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 income and expenditure statement when the liabilities are derecognised, and through the amortisation process.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j) **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 income and expenditure statement.

k) **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 Chief Administrator is considered as key management personnel.

**3. ADMINISTRATIVE AND CHARITABLE EXPENSES**

	S\$
Auditors' remuneration	2,354
General expenses	100
Insurance	1,248
Management fee	3,784
Refreshment	74
Secretarial fee	750
Stationery	67
Transportation	20
Website expenses	2,996
	<hr/>
	11,393
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There were no fundraising appeals held during the financial period.

**4. TAXATION**

The Company is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act Cap. 134.

**5. TAX EXEMPT DONATIONS RECEIVED**

	S\$
Tax exempt donations received	20,050
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**SMA CHARITY FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**6. 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:-

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

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

**7. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Objectives and Policies**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**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.

**SMA CHARITY FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2013**

**8. CATEGORIES OF FINANCIAL INSTRUMENTS**

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

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

**9. 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.

**10. 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 2014. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

**11. COMPARATIVE FIGURES**

There are no comparative figures as this is the Company's first set of financial statements since the Company incorporation.