

SINGAPORE COUNCIL OF
WOMEN'S ORGANISATIONS (SCWO)
THE STAR SHELTER

Unique Entity Number: T00CC1406K

REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2014

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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STATEMENT BY THE SCWO BOARD

In our opinion, the accompanying financial statements which comprise the balance sheet (statement of financial position) as at 31 January 2014, and the statement of comprehensive income, and statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, are drawn up so as to give a true and fair view of the state of affairs of The Star Shelter as at 31 January 2014 and the results and changes in funds for the year ended on that date.



Mrs Laura Hwang Cheng Lin
President



Ms Tan Gim Hian
Honorary Treasurer

Singapore, 12 June 2014

INDEPENDENT AUDITORS' REPORT
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)
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Report on the Financial Statements

We have audited the accompanying financial statements of The Star Shelter, an integral part of SCWO (the Association), set out on pages 4 to 14. These financial statements comprise the balance sheet (statement of financial position) as at 31 January 2014, and the statement of comprehensive income and statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

The accompanying financial statements reflect only transactions arising from the activities undertaken by The Star Shelter, which is an operating segment of SCWO.

Management's Responsibility for the Financial Statements

The 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)
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(continued)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of The Star Shelter as at 31 January 2014 and the results and changes in funds of The Star Shelter for the year ended on that date.

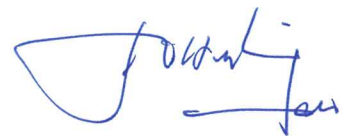
Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Charities Act to be kept by the Association have been properly kept in accordance with those regulations.

During the financial year, the Association did not conduct any fund-raising appeal as defined in regulation 6 of the Societies Regulations issued under the Societies Act Chapter 311.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (i) The use of the donation moneys was not in accordance with the objectives of the Association required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) The Association has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 12 June 2014

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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Statement of Comprehensive Income for the year ended 31 January 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>INCOME</u>			
Bank interest		1,370	1,278
Contributions from dormitory residents		5,370	3,675
Donations			
- non tax deductible		72,573	46,693
- tax deductible		212,564	10,678
MSF grants		230,986	150,034
NCSS subsidy		75,671	99,269
Thriftshop		79,937	75,993
Sundry income		542	50
		679,013	387,670
<u>EXPENSES</u>			
Auditors' remuneration		3,103	3,103
Bank charges		235	115
Cleaning services		6,750	5,609
Contract services		3,180	2,095
Depreciation on property, plant and equipment	3	7,835	4,158
Employee benefits expense	4	195,193	125,541
Foreign workers' levy		4,650	2,492
General expenses		10,955	6,819
Groceries		8,617	8,234
Insurance		1,741	1,800
Medical expenses		1,467	732
Office transport		996	860
Postage and courier		9	54
Printing and stationery		2,036	801
Refreshments		107	330
Repairs and maintenance		24,891	16,907
Security guard services		44,071	34,587
Skills development levy		400	264
Staff welfare		26	-
Telecommunication expenses		279	295
Training and development		1,443	1,143
Travelling expenses		3,033	-
Utilities		16,150	17,956
		337,167	233,895
Surplus for the year		341,846	153,775
<u>Other Comprehensive Income</u>			
Contributions to SCWO operating fund		(74,500)	(72,000)
Other comprehensive income, net of tax		(74,500)	(72,000)
Total comprehensive income for the year		267,346	81,775

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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Statement of Financial Position as at 31 January 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	23,800	15,960
Total Non-Current Assets		23,800	15,960
<u>Current Assets</u>			
Receivables	5	20,120	61,838
Fixed deposits with financial institutions	6	500,378	499,128
Cash and bank balances		488,780	148,339
Total Current Assets		1,009,278	709,305
Total Assets		1,033,078	725,265
<u>FUNDS AND LIABILITIES</u>			
Star Shelter General Fund		933,883	666,537
Rebuild Programme Fund	7	39,730	39,730
Total Funds		973,613	706,267
<u>Current Liabilities</u>			
Payables	8	59,465	18,998
Total Current Liabilities		59,465	18,998
Total Funds and Liabilities		1,033,078	725,265

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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Statement of Changes in Funds for the year ended 31 January 2014

	Star Shelter General Fund	Rebuild Programme Fund	Total Funds
	\$	\$	\$
Balance as at 1 February 2012	584,762	39,730	624,492
Surplus for the year	153,775	-	153,775
Other comprehensive income	(72,000)	-	(72,000)
Total comprehensive income for the year	81,775	-	81,775
Balance as at 31 January 2013	666,537	39,730	706,267
Surplus for the year	341,846	-	341,946
Other comprehensive income	(74,500)	-	(74,500)
Total comprehensive income for the year	267,346	-	267,346
Balance as at 31 January 2014	933,883	39,730	973,613

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 January 2014

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

1. GENERAL INFORMATION

The Star Shelter is a charity registered under the Charities Act Cap. 37 and an Institution of a Public Character. It is an integral part of the Singapore Council of Women's Organisations (SCWO), an association registered under the Societies Act, Cap. 311. Its registered office is located at 96 Waterloo Street Singapore 187967.

The Star Shelter provides a temporary refuge for victims of family violence and others in need of protection, regardless of race, language, creed or religion.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The association presents its financial statements in Singapore dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council.

As these financial statements are in respect of The Star Shelter only, the statement of cash flows in accordance with FRS 7 Statement of Cash Flows has not been prepared. Separately, the association has prepared combined financial statements incorporating the results of all operating segments of SCWO, including The Star Shelter, which presents a statement of cash flows of the association as a whole.

During the financial year, the association adopted all the applicable new/revised FRSs which are effective on or before 1 February 2013.

The adoption of these new/revised FRSs did not have any material effect on the association's financial statements and did not result in substantial changes to the association's accounting policies.

(b) Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the association's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation on property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(g). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 3 to the financial statements.

(B) *Critical judgments made in applying accounting policies*

In the process of applying the association's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Impairment of non-financial assets

The carrying amounts of the association's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's net selling price. Estimating the value in use requires the association to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) FRS and INT FRS not yet effective

The association has not applied any new FRS or INT FRS (Interpretations of Financial Reporting Standards) that has been issued as at the balance sheet date but is not yet effective. The board does not anticipate the adoption of the new FRS and INT FRS in future financial periods to have any material impact on the association's financial statements in the period of initial application.

(d) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Receivables (continued)

When there is objective evidence that the association will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

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 shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

(e) Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(f) Revenue Recognition

Interest income is recorded on a time-proportion basis, using the effective interest method, unless collectability is in doubt.

Government grants are recognised as income when there is reasonable assurance that the association will comply with the conditions attaching to the grants and that the grants will be received.

Donations are recognised in profit or loss upon receipt. Donations and contributions received in connection with events held are matched against the respective event expenditure.

(g) 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 is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Air-conditioners	3 years
Computers	3 years
Office equipment, furniture & fittings	10 years
Office renovation	3 years

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, Plant and Equipment (continued)

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year end.

An item of property, 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 assets is recognised in profit or loss in the year the asset is derecognised.

(h) Employee Benefits

Defined Contribution Plans

The association makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

(i) Impairment of Non-Financial Assets

The carrying amounts of the association's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

(j) Income Taxes

As a registered charity under the Charities Act, Cap. 37, the income of The Star Shelter is exempt from tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

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3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Office renovation	Computers	Air- conditioners	Total
<u>Cost</u>	\$	\$	\$	\$	\$
At 1 February 2012	21,185	-	3,852	3,548	28,585
Additions	1,592	-	-	-	1,592
At 31 January 2013 and 1 February 2013	22,777	15,675	3,852	3,548	30,177
Additions	-	15,675	-	-	15,675
At 31 January 2014	22,777	15,675	3,852	3,548	45,852
<u>Accumulated depreciation</u>					
At 1 February 2012	4,871	-	2,822	2,366	10,059
Charge for the year	2,278	-	698	1,182	4,158
At 31 January 2013 and 1 February 2013	7,149	-	3,520	3,548	14,217
Charge for the year	2,278	5,225	332	-	7,835
At 31 January 2014	9,427	5,225	3,852	3,548	22,052
<u>Carrying amount</u>					
At 31 January 2014	13,350	10,450	-	-	23,800
At 31 January 2013	15,628	-	332	-	15,960

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4. EMPLOYEE BENEFITS EXPENSE

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and related costs	172,561	109,950
Employer's contributions to Central Provident Fund	<u>22,632</u>	<u>15,591</u>
	<u>195,193</u>	<u>125,541</u>

Employee benefits expense includes benefits paid to key management personnel employed by the association as follows:-

	<u>2014</u>	<u>2013</u>
	\$	\$
Short-term employee benefits:		
Salaries and related costs	62,500	-
Employer's contributions to Central Provident Fund	<u>10,000</u>	<u>-</u>
	<u>72,500</u>	<u>-</u>

	<u>2014</u>	<u>2013</u>
Number of key management personnel	<u>1</u>	<u>-</u>

In prior year, remuneration of key management personnel was disclosed under SCWO operations only.

None of the three highest paid staff received more than \$100,000 in annual remuneration.

5. RECEIVABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Grant receivable from Ministry of Social and Family Development (MSF)	19,060	52,002
Grant receivable from NCSS	-	8,988
Prepayments	910	848
Sundry receivables	<u>150</u>	<u>-</u>
	<u>20,120</u>	<u>61,838</u>

Non-trade receivables are unsecured, non-interest bearing and expected to be received within 6 months.

6. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

All fixed deposits mature within one year and bear interest at rates ranging from 0.15% to 0.35% (2013: 0.15% to 0.35%) per annum.

7. REBUILD PROGRAMME FUND

	<u>2014</u>	<u>2013</u>
	\$	\$
Balance at beginning and end of financial year	<u>39,730</u>	<u>39,730</u>

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7. REBUILD PROGRAMME FUND (continued)

The Rebuild Programme Fund is set up to help The Star Shelter residents rebuild their homes by giving them rebuild home loans, room rental and transport allowance assistance.

Rebuild home loans disbursed from the Rebuild Programme Fund are non-interest bearing and have no fixed repayment terms. All loans extended to residents are recorded as funds disbursed, while any loan repayments are recorded as funds received. There was no movement in Rebuild Programme Fund during the financial year.

8. PAYABLES

	<u>2014</u>	<u>2013</u>
	\$	\$
Due to SCWO operating fund	48,728	9,416
Accruals	<u>10,737</u>	<u>9,582</u>
	<u>59,465</u>	<u>18,998</u>

The above payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

9. FINANCIAL RISKS MANAGEMENT

The association is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The board reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the association as and when they fall due.

The association's exposure to credit risk arises primarily from receivables. For other financial assets (including cash and cash equivalents), the association minimises credit risk by dealing with high credit rating counterparties.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

There are no financial assets that are past due or impaired as at the balance sheet date.

(ii) Liquidity risk

Liquidity risk is the risk that the association will encounter difficulty in meeting financial obligations due to shortage of funds.

The association monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the association's operations and to mitigate the effects of fluctuations in cash flows.

All financial liabilities of the association are repayable on demand or mature within one year.

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9. FINANCIAL RISKS MANAGEMENT (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the association's financial instruments will fluctuate because of changes in market interest rates.

The association does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The association monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the association are disclosed in note 6 to the financial statements.

10. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

Financial Instruments by Category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Loans and receivables	1,008,368	708,457
Financial liabilities at amortised cost	59,465	18,998

11. RESERVES MANAGEMENT

The association's reserves management objective is to safeguard the association's ability to continue as a going concern and to maintain an optimal reserve in order to support its operations and principal activities.

The association aims to maintain its reserves at a level equivalent to at least 3 times the current annual operating expenses. The association regularly monitors its cash flows and manages its funds to ensure that they are adequate to fulfil continuing obligations.

The Rebuild Programme Fund and Star Shelter General Fund are designated funds to be used only for specified purposes, as described in note 7 and note 1 respectively.

The association is not subject to externally imposed reserve requirements.

There were no changes to the association's approach to reserves management during the year.

12. AUTHORISATION OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the SCWO Board on 12 June 2014.