

SINGAPORE COUNCIL OF
WOMEN'S ORGANISATIONS (SCWO)
SERVICE FUND

Unique Entity Number: T09CC0010H

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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SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)
SERVICE FUND

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 accumulated fund 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 SCWO Service Fund as at 31 January 2014 and the results and changes in accumulated fund 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)
SERVICE FUND

Report on the Financial Statements

We have audited the accompanying financial statements of SCWO Service Fund, an integral part of SCWO (the Association), set out on pages 4 to 17. 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 accumulated fund 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 SCWO Service Fund, 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)
SERVICE FUND

(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 SCWO Service Fund as at 31 January 2014 and the results and changes in accumulated fund of SCWO Service Fund 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 year, the Association did not conduct any fund-raising appeal as defined under 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)

SCWO SERVICE FUND

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		1,187	1,185
Board Agender	3	9,005	-
Donations			
- non tax deductible		43,767	19,640
- tax deductible		186,158	168,345
Grants and subsidies	4	212,988	-
Income from Thriftshop		79,938	-
IT Hub	5	2,935	-
		535,978	189,170
<u>EXPENSES</u>			
Auditors' remuneration		2,247	2,033
Bank charges		86	82
Contract services		13,444	-
Depreciation on property, plant and equipment	11	216	-
Employee benefits expense	9	142,527	-
General expenses		933	159
Maintenance Support Central expenses	6	102,390	-
Postage and courier		8	-
Printing and stationery		133	93
Refreshments		535	163
Singapore Women's Hall of Fame expenses	7	35,483	-
Skills development levy		298	-
Transport		8	-
International Women's Day event expenses	8	92,555	75,492
Women's Register	10	2,510	-
		393,373	78,022
Surplus for the year		142,605	111,148
<u>Other Comprehensive Income</u>			
Contributions to SCWO operating fund		(60,000)	-
Total comprehensive income for the year		82,605	111,148

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO SERVICE FUND

Statement of Financial Position as at 31 January 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Asset</u>			
Property, plant and equipment	11	<u>24,352</u>	<u>-</u>
Total Non-Current Asset		<u>24,352</u>	<u>-</u>
<u>Current Assets</u>			
Prepayments		26,743	32,457
Fixed deposit with a financial institution	12	304,852	303,789
Cash and bank balances		<u>372,032</u>	<u>320,151</u>
Total Current Assets		<u>703,627</u>	<u>656,397</u>
Total Assets		<u>727,979</u>	<u>656,397</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
Accumulated fund		<u>644,330</u>	<u>561,725</u>
Total Funds		<u>644,330</u>	<u>561,725</u>
<u>Current Liabilities</u>			
Other payables	13	14,508	34,672
Income received in advance	14	<u>69,141</u>	<u>60,000</u>
Total Current Liabilities		<u>83,649</u>	<u>94,672</u>
Total Funds and Liabilities		<u>727,979</u>	<u>656,397</u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO SERVICE FUND

Statement of Changes in Accumulated Fund for the year ended 31 January 2014

	\$
Balance as at 1 February 2012	450,577
Surplus for the year	111,148
Other comprehensive income	-
Total comprehensive income for the year	<u>111,148</u>
Balance as at 31 January 2013	561,725
Surplus for the year	142,605
Other comprehensive income	(60,000)
Total comprehensive income for the year	<u>82,605</u>
Balance as at 31 January 2014	<u>644,330</u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO SERVICE FUND

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 SCWO Service Fund 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 SCWO Service Fund was set up to promote and improve the status of women in all fields, in particular, education, economics, social welfare and community involvement, culture and sports.

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 SCWO Service Fund 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 SCWO Service Fund, 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.

(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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO SERVICE FUND

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty* (continued)

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(f). 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 12 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) Revenue Recognition

Membership subscriptions are recognised when due and received.

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

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

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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fund Accounting

Monies received for specific purposes are credited directly to the respective fund accounts. Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Assets and liabilities of the specific funds are pooled in the balance sheet.

(f) 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:

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

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.

(g) 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.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Receivables (continued)

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.

(h) Payables

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

(i) Income Taxes

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

(j) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash with banks that are subject to an insignificant risk of changes in value and with maturity of three months or less from date of acquisition.

Cash on hand and at bank and short-term deposits which are held to maturity are carried at cost.

(k) Employee Benefits

Defined Contribution Plans

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

(l) 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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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3. BOARD AGENDER

	<u>2014</u>	<u>2013</u>
	\$	\$
Membership fees received	13,400	-
Event income	<u>4,110</u>	<u>-</u>
	17,510	-
Less: Expenses		
Event expense	1,686	-
General expenses	374	-
IT website expense	4,578	-
Postages and courier	14	-
Printing and stationery	900	-
Refreshments	886	-
Transport	67	-
	<u>8,505</u>	<u>-</u>
Surplus for the year	<u>9,005</u>	<u>-</u>

4. GRANTS AND SUBSIDIES

	<u>2014</u>	<u>2013</u>
	\$	\$
<u>Grants for Maintenance Support Central (MSC)</u>		
MSF grant	8,889	-
NCSS subsidy	189,099	-
Total grants for MSC (note 6)	197,988	-
National Heritage Board subsidy (note 7)	<u>15,000</u>	<u>-</u>
	<u>212,988</u>	<u>-</u>

5. IT HUB

	<u>2014</u>	<u>2013</u>
	\$	\$
IT membership subscriptions	7,705	-
Less: Expenses		
Depreciation (note 11)	3,793	-
Telecommunication	977	-
	<u>4,770</u>	<u>-</u>
Surplus for the year	<u>2,935</u>	<u>-</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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6. MAINTENANCE SUPPORT CENTRAL EXPENSES

Maintenance Support Central (the "MSC") is an initiative by the Singapore Council of Women's Organisation (SCWO). It is a one-stop drop-in centre that provides support and assistance to improve the enforcement of maintenance orders.

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries	71,658	-
Employer's contributions to Central Provident Fund	11,465	-
Depreciation (note 11)	4,902	-
Other expenses	<u>14,365</u>	<u>-</u>
	<u>102,390</u>	<u>-</u>

Grants and subsidies for funding MSC received during the year, amounting to \$197,988 (note 4) are included in the Statement of Comprehensive Income.

7. SINGAPORE WOMEN'S HALL OF FAME EXPENSES

	<u>2014</u>	<u>2013</u>
	\$	\$
Trophies expenses	27,500	-
Profile penalist fee	7,200	-
Refreshments	750	-
General expenses	<u>33</u>	<u>-</u>
	<u>35,483</u>	<u>-</u>

Subsidies and donations received in conjunction with the Singapore Women's Hall of Fame, included in the Statement of Comprehensive, are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Donations		
- Non-tax deductible	3,000	-
- Tax deductible	49,500	-
Subsidy from National Heritage Board (note 4)	<u>15,000</u>	<u>-</u>
	<u>67,500</u>	<u>-</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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8. INTERNATIONAL WOMEN'S DAY (IWD) EXPENSES

	<u>2014</u>	<u>2013</u>
	\$	\$
National Young Women Leaders' Day expenses	12,000	13,952
Gifts and souvenirs	1,160	1,850
Postage and courier	149	90
Refreshments	3,015	3,288
Prizes	5,693	5,249
IWD dinner expenses	51,571	46,289
Photograph expenses	3,925	1,829
Sound and lighting equipment	11,558	-
Transport expenses	298	333
Rental Expenses	3,186	-
General expenses	-	2,612
	<u>92,555</u>	<u>75,492</u>

Donations raised in conjunction with IWD amounting to \$171,279 (2013: \$74,950) are classified as follows in the Statement of Comprehensive Income:

	<u>2014</u>	<u>2013</u>
	\$	\$
Donations		
- Non-tax deductible	40,329	18,650
- Tax deductible	130,950	56,300
	<u>171,279</u>	<u>74,950</u>

9. EMPLOYEE BENEFITS EXPENSE

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and related costs	125,812	-
Employer's contributions to Central Provident Fund	16,715	-
	<u>142,527</u>	<u>-</u>

Employee benefits expense incurred in respect of Maintenance Support Central is disclosed in note 6.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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9. EMPLOYEE BENEFITS EXPENSE (continued)

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	28,050	-
Employer's contributions to Central Provident Fund	<u>1,685</u>	<u>-</u>
	<u>29,735</u>	<u>-</u>
	<u>2014</u>	<u>2013</u>
Number of key management personnel	<u>1</u>	<u>-</u>

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

10. WOMEN'S REGISTER

	<u>2014</u>	<u>2013</u>
	\$	\$
Talk/presentation	2,525	-
Membership fees received	<u>535</u>	<u>-</u>
	3,060	-
Less: Expenses		
IT website expenses	154	-
Other expenses	<u>5,416</u>	<u>-</u>
	<u>5,570</u>	<u>-</u>
Deficit for the year	<u>(2,510)</u>	<u>-</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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11. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Computers	Air- conditioners	Total
	\$	\$	\$	\$
<u>Cost</u>				
At 1 February 2012, 31 January 2013 and 1 February 2013	-	-	-	-
Addition	-	4,794	-	4,794
Transfer from SCWO operations	<u>27,279</u>	<u>9,474</u>	<u>4,280</u>	<u>41,033</u>
At 31 January 2014	<u>27,279</u>	<u>14,268</u>	<u>4,280</u>	<u>45,827</u>
<u>Accumulated depreciation</u>				
At 1 February 2012, 31 January 2013 and 1 February 2013	-	-	-	-
Charge for the year	2,728	4,756	1,427	8,911
Transfer from SCWO operations	<u>5,591</u>	<u>4,120</u>	<u>2,853</u>	<u>12,564</u>
At 31 January 2014	<u>8,319</u>	<u>8,876</u>	<u>4,280</u>	<u>21,475</u>
<u>Carrying amount</u>				
At 31 January 2014	<u>18,959</u>	<u>5,393</u>	<u>-</u>	<u>24,352</u>
At 31 January 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Depreciation for the year charged to Statement of Comprehensive Income are as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Charged to:		
- IT Hub (note 5)	3,793	-
- Maintenance Support Central (note 6)	4,902	-
- General Profit and Loss	<u>216</u>	<u>-</u>
	<u>8,911</u>	<u>-</u>

12. FIXED DEPOSIT WITH A FINANCIAL INSTITUTION

The fixed deposit matures within one year and bears interest at 0.35% (2013: 0.35%) per annum.

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13. <u>PAYABLES</u>	<u>2014</u>	<u>2013</u>
	\$	\$
Payable to SCWO operating fund	9,425	32,554
Accruals	<u>5,083</u>	<u>2,118</u>
	<u>14,508</u>	<u>34,672</u>

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

14. <u>INCOME RECEIVED IN ADVANCE</u>	<u>2014</u>	<u>2013</u>
	\$	\$
NCSS grant for MSC	30,027	-
* Donations for IWD 2014	21,080	60,000
Other income received in advance	<u>18,034</u>	<u>-</u>
	<u>69,141</u>	<u>60,000</u>

* The donations received in advance are tax-deductible donations received during the financial year in respect of International Women's Day 2014 to be held on 14 March 2014.

15. 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 main financial assets consist of cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

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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15. 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 rate and term of maturity of financial asset of the association are disclosed in note 12 to the financial statements.

16. 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	676,884	623,940
Financial liabilities at amortised cost	14,508	34,672

17. 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 accumulated fund is a designated fund to be used only for specified purposes.

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.

18. FUND-RAISING APPEAL

During the year, the association did not conduct any fund raising appeal which requires disclosure in accordance with the Charities Act (Cap.37) – Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

19. AUTHORISATION OF THE FINANCIAL STATEMENTS

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