

HONOUR (SINGAPORE) LTD.

[UEN: 201405223G]

[A Company limited by guarantee and
not having share capital]

[Incorporated in the Republic of
Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

CONTENTS

Directors' Statement	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Fiducia LLP

[UEN: T10LL0955L]

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 May 2017.

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 23 are drawn up so as to give a true and fair view of the financial position of the Company at 31 May 2017 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) 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.

Directors

The directors of the Company in office at the date of this statement are:

Lim Siong Guan
Richard Rokmat Magnus
Ho Ai Lian
Mohammad Alami Musa

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

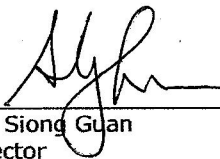
Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Independent auditors

The independent auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Lim Siong Guan
Director



Ho Ai Lian
Director

Singapore, **05 OCT 2017**

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Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Honour (Singapore) Ltd. (the "Company"), which comprise the statement of financial position as at 31 May 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 May 2017 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on page 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

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Responsibilities of Management and Directors 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 Act, the Charities Act and Regulations and FRSSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

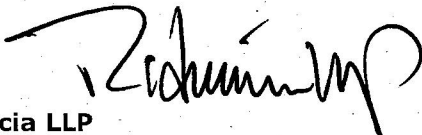
We communicate with directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Act, and the Charities Act and Regulations.

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

- a. the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.


Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 05 OCT 2017

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017**

2017		Unrestricted fund General fund S\$	Restricted fund SG50 Project S\$	Total restricted and unrestricted funds S\$
	Note			
INCOME				
Donations				
- General donations	5	73,577	0	73,577
Government grants				
- Tote Board funding		150,000	0	150,000
		<u>223,577</u>	<u>0</u>	<u>223,577</u>
OTHER INCOME				
Learning journey fee		3,990	0	3,990
Other		150	0	150
Temporary employment credit		1,196	0	1,196
Wage credit scheme		595	0	595
		<u>5,931</u>	<u>0</u>	<u>5,931</u>
Total income		<u>229,508</u>	<u>0</u>	<u>229,508</u>
LESS: EXPENDITURE				
Community Outreach	8	1,099	0	1,099
Filmmaking and Learning Journey Initiatives	8	303,449	0	303,449
Honour Toolkit	8	22,317	0	22,317
Administrative costs				
Audit fee		3,210	0	3,210
Accounting fee		6,000	0	6,000
Bank charge		150	0	150
Branding and website development		2,900	0	2,900
CPF and SDL		20,561	0	20,561
Media and communication		5,470	0	5,470
Medical claim		700	0	700
Rental of premises		41,345	0	41,345
Salaries and bonus		145,347	0	145,347
Staff insurance		1,173	0	1,173
Stationery		650	0	650
Telephone, fax and internet		289	0	289
Other expenses		6,770	0	6,770
Total expenditure		<u>561,430</u>	<u>0</u>	<u>561,430</u>
NET DEFICIT		(331,922)	0	(331,922)
TOTAL FUNDS BROUGHT FORWARD		<u>743,607</u>	<u>0</u>	<u>743,607</u>
TOTAL FUNDS CARRIED FORWARD		<u>411,685</u>	<u>0</u>	<u>411,685</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MAY 2017 (CONT'D)**

2016		Unrestricted fund General Fund S\$	Restricted fund SG50 Project S\$	Total restricted and unrestricted funds S\$
	Note			
INCOME				
Donations				
- General donations	5	391,102	0	391,102
SG50 Project				
- Government grant		0	142,166	142,166
- HSG contributions		0	35,542	35,542
		<u>391,102</u>	<u>177,708</u>	<u>568,810</u>
OTHER INCOME				
Honour International Symposium	7	101,137	0	101,137
Temporary employment credit		998	0	998
		<u>102,135</u>	<u>0</u>	<u>102,135</u>
Total income		<u>493,237</u>	<u>177,708</u>	<u>670,945</u>
LESS: EXPENDITURE				
Community Outreach	8	63,695	0	63,695
Filmmaking and Learning Journey Initiatives	8	113,034	173,103	286,137
Honour Toolkit	8	54,716	0	54,716
Administrative costs				
Audit fee		3,210	1,605	4,815
Administrative support fees		1,500	0	1,500
Accounting fee		6,000	0	6,000
Bank charge		3,205	0	3,205
Branding and website development		20,647	0	20,647
CPF and SDL		19,132	0	19,132
Depreciation		683	0	683
Media and communication		13,647	0	13,647
Medical claim		419	0	419
Rental of premises		41,345	0	41,345
Salaries and bonus		168,791	0	168,791
Secretarial fees		1,018	0	1,018
Staff insurance		1,452	0	1,452
Stationery		1,717	0	1,717
Telephone, fax and internet		322	0	322
Other expenses		882	0	882
Total expenditure		<u>515,415</u>	<u>174,708</u>	<u>690,123</u>
NET (DEFICIT) / SURPLUS		(22,178)	3,000	(19,178)
TOTAL FUNDS BROUGHT FORWARD		<u>765,785</u>	<u>(3,000)</u>	<u>762,785</u>
TOTAL FUNDS CARRIED FORWARD		<u>743,607</u>	<u>0</u>	<u>743,607</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2017

	Note	2017 S\$	2016 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	298,673	701,795
Other receivables	10	<u>160,040</u>	<u>94,951</u>
Total assets		<u>458,713</u>	<u>796,746</u>
LIABILITIES			
Current liability			
Other payables and accruals	12	<u>47,028</u>	<u>53,139</u>
Total liabilities		<u>47,028</u>	<u>53,139</u>
Net assets		<u>411,685</u>	<u>743,607</u>
FUNDS			
Unrestricted fund			
General fund	13	<u>411,685</u>	<u>743,607</u>
Total funds		<u>411,685</u>	<u>743,607</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

	Balance at beginning of year S\$	Net deficit for the year S\$	Balance at end of year S\$
2017			
Unrestricted fund			
General fund	743,607	(331,922)	411,685
Restricted fund			
SG50 Project	<u>0</u>	<u>0</u>	<u>0</u>
Total funds	<u>743,607</u>	<u>(331,922)</u>	<u>411,685</u>
	Balance at beginning of year S\$	Net (deficit) / surplus for the year S\$	Balance at end of year S\$
2016			
Unrestricted fund			
General fund	765,785	(22,178)	743,607
Restricted fund			
SG50 Project	<u>(3,000)</u>	<u>3,000</u>	<u>0</u>
Total funds	<u>762,785</u>	<u>(19,178)</u>	<u>743,607</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
Net deficit for the financial year		(331,922)	(19,178)
Adjustment for:			
- Depreciation	11	0	683
Operating cash flow before changes in working capital		(331,922)	(18,495)
Changes in working capital:			
Other receivables		(65,089)	(88,511)
Other payables and accruals		(6,111)	41,763
Deferred grant income		0	(48,000)
Net cash used in operating activities		(403,122)	(113,243)
Cash flows from investing activity			
Purchases of property, plant and equipment	11	0	(683)
Net cash used in investing activity		0	(683)
Net decrease in cash and cash equivalents		(403,122)	(113,926)
Cash and cash equivalents at beginning of financial year		701,795	815,721
Cash and cash equivalents at end of financial year	9	298,673	701,795

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2017

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

1. General information

Honour (Singapore) Ltd. (the "Company") is a company limited by guarantee with no share capital. The Company was registered as charity under the Charities Act, Chapter 37 on 12 May 2014.

The address of its registered office and principal place of business is located at 20 Havelock Road #02-25, Central Square Singapore 059765.

The Company has been accorded the Institutions of a Public Character ("IPC") status for the period from 21 May 2016 to 20 May 2019.

The principal activity of the Company is to advance the welfare of Singapore by promoting a culture of honour in Singapore.

There have been no significant changes in the nature of these activities during the financial year.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRSs") and the disclosure requirements of the Companies Act (Chapter 50) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1.1 Interpretations and amendments to published standards effective in 2016

The Company has adopted the new or revised FRSs and Interpretations to FRSs (INT FRSs) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRSs and INT FRSs.

The following are the FRSs and INT FRSs that are relevant to the Company:

FRS	Effective date	Title
FRS 1	1.1.2016	Presentation of financial statements (Disclosure initiative)
FRS 19	1.1.2016	Employee benefits (Determining the discount rates for post-employment benefit obligations)

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2016 (Cont'd)

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial year.

2.1.2 Standards issued but not yet effective

The Company did not early adopt the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future period:

<u>FRS</u>	<u>Effective date</u>	<u>Title</u>
FRS 109	1.1.2018	Financial Instruments
FRS 115	1.1.2018	Revenue from Contracts with Customers
FRS 116	1.1.2019	Leases

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities. Revenue is recognised as follows:

2.2.1 Donations

Donation income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Government grants

Grants are recognised when there is reasonable assurance that the Company will comply with conditions related to them and that the grants are certain to be received.

2.2.3 Other income

Other income is recognised when earned.

2.3 Cost and expense recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.4 Financial assets

2.4.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

2. Significant accounting policies (Cont'd)

2.4 Financial assets (Cont'd)

2.4.1 Classification (Cont'd)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.4.2 Recognition and de-recognition

Usual purchases and sales of financial assets are recognised on 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 financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.4.3 Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.4.4 Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of loans and receivables, including other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables and investments. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of comprehensive income.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, and deposit with financial institution, which are subject to an insignificant risk of change in value.

2.6 Other receivables

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2. Significant accounting policies (Cont'd)

2.7 Property, plant and equipment

2.7.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.7.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computers	1 year
Office equipment	1 year

Fully depreciated assets are retained in the fixed asset register until these items are disposed.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of comprehensive income for the financial year in which the changes arise.

2.7.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of comprehensive income during the financial year in which it is incurred.

2.7.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of comprehensive income.

2.8 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

2. Significant accounting policies (Cont'd)

2.8 Impairment of non-financial assets (Cont'd)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.9 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of comprehensive income. Financial liabilities include "Other payables" and "Accruals".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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 respective carrying amounts is recognised in the statement of comprehensive income.

2.10 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.11 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purpose, if any, by action of the Management. Externally restricted funds may only be utilized in accordance with the purposes for which they are established. The Management retains full control over the use of unrestricted funds for any of the Company's purposes. There is no restricted fund at the end of the financial year.

2.13 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;

2. Significant accounting policies (Cont'd)

2.13 Related parties (Cont'd)

(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;
- (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)
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

3.1.1 Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

3.2 Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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.

3.2.1 Allowance for impairment of receivables

The Company reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

3. Critical accounting estimates, assumptions and judgements (Cont'd)

3.2 Critical judgments in applying the entity's accounting policies (Cont'd)

3.2.2 Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

4. Income tax

The Company is an approved charity organisation under the Charities Act, Chapter 37. No provision for taxation has been made in the financial statements as the Company is exempt from income tax in accordance with the provisions of the Income Tax Act, Chapter 134.

5. Donations

	2017 S\$	2016 S\$
Tax deductible donations	50,577	371,102
Non-tax deductible donations	23,000	20,000
	<u>73,577</u>	<u>391,102</u>

6. Fund-raising activities and expenditure

During the financial years 2017 and 2016, the Company did not carry out any fund-raising activities. Consequently, no fund-raising expenditure was incurred.

7. Honour International Symposium (HIS)

	2017 S\$	2016 S\$
Income		
Registration fee	0	288,800
Sponsored venue, food and accommodation expenses	0	209,395
Total HIS donations received	<u>0</u>	<u>498,195</u>
Less: Expenses		
Venue, food and accommodation expenses	0	209,395
Event management	0	147,549
Honorarium	0	3,576
Other expenses	0	11,038
Performance	0	20,000
Publicity	0	5,500
Transport	0	0
Total HIS expenses	<u>0</u>	<u>397,058</u>
Net surplus on event	<u>0</u>	<u>101,137</u>

8. Expenditure

	Unrestricted fund	Restricted fund	Total restricted and unrestricted funds
	General fund S\$	SG50 Project S\$	S\$
2017			
Community Outreach			
CEO forum	70	0	70
Honour Champions	1,029	0	1,029
	<u>1,099</u>	<u>0</u>	<u>1,099</u>
Filmmaking and Learning Journey Initiatives			
Partnership development	30,000	0	30,000
Recruitment, publicity and video	237,992	0	237,992
Screening and distribution	35,457	0	35,457
	<u>303,449</u>	<u>0</u>	<u>303,449</u>
Honour Toolkit			
Design and development	<u>22,317</u>	<u>0</u>	<u>22,317</u>
	Unrestricted fund	Restricted fund	Total restricted and unrestricted funds
	General fund S\$	SG50 Project S\$	S\$
2016			
Community Outreach			
Branding and strategic outreach	63,000	0	63,000
Civil society forum	695	0	695
	<u>63,695</u>	<u>0</u>	<u>63,695</u>
Filmmaking and Learning Journey Initiatives			
Film makers	0	135,673	135,673
Ngee Ann Film and Media School master class	0	7,280	7,280
Partnership development	43,490	0	43,490
Recruitment, publicity and video	24,825	25,860	50,685
Screening and distribution	9,177	4,290	13,467
SG50 Project -HSG expenses	35,542	0	35,542
	<u>113,034</u>	<u>173,103</u>	<u>286,137</u>
Honour Toolkit			
Design and development	41,195	0	41,195
Production	13,521	0	13,521
	<u>54,716</u>	<u>0</u>	<u>54,716</u>

9. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash on hand	906	939
Cash in bank	<u>297,767</u>	<u>700,856</u>
	<u>298,673</u>	<u>701,795</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

10. Other receivables

	2017 S\$	2016 S\$
Non-trade receivables	0	88,511
Grant funding receivables	150,000	0
Deposit	6,440	6,440
Prepayment	3,600	0
	<u>160,040</u>	<u>94,951</u>

At the reporting date, the carrying amounts of other receivables approximated their fair values.

11. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2017				
Cost				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	<u>5,289</u>	<u>0</u>	<u>0</u>	<u>5,289</u>

	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	<u>5,289</u>	<u>0</u>	<u>0</u>	<u>5,289</u>

	Balance at beginning of year S\$		Balance at end of year S\$
Net book value			
Computers	0		0
Office equipment	0		0
	<u>0</u>		<u>0</u>

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2016				
Cost				
Computers	4,606	0	0	4,606
Office equipment	0	683	0	683
	<u>4,606</u>	<u>683</u>	<u>0</u>	<u>5,289</u>

	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Computers	4,606	0	0	4,606
Office equipment	0	683	0	683
	<u>4,606</u>	<u>683</u>	<u>0</u>	<u>5,289</u>

11. Property, plant and equipment (Cont'd)

	Balance at beginning of year S\$	Balance at end of year S\$
2016 (Cont'd)		
Net book value		
Computers	0	0
Office equipment	0	0
	<u>0</u>	<u>0</u>

12. Other payables and accruals

	2017 S\$	2016 S\$
Accruals	3,633	38,489
Non-trade payables	43,395	14,650
	<u>47,028</u>	<u>53,139</u>

At the reporting date, the carrying amounts of other payables approximated their fair values.

13. General fund

The accumulated general fund represents the accumulated income of the Company. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Company.

14. SG50 Project

On 8 December 2014, the Company entered into an agreement with Ministry of Education (for and on behalf of the Republic of Singapore ("Government")) for Singapore 50 Collaboration Fund, which is to support projects in conjunction with the commemoration of 50 years of independence of the republic of Singapore in 2015.

15. Remuneration of key management personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

The general manager is considered as the Company's key management personnel and received the following during the year.

	2017 S\$	2016 S\$
Salaries and bonus	103,747	129,167
Other short term benefit	12,892	14,392
	<u>116,639</u>	<u>143,559</u>

16. Commitments

16.1 Operating lease commitment

As at the reporting date, the Company has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2017 S\$	2016 S\$
Not later than one financial year	<u>37,899</u>	<u>37,899</u>

16.2 Other commitments

At the reporting date, the Company entered into an agreement with third party for Media Development and Partnership consultancy services under non-cancellable term as follows:

	2017 S\$	2016 S\$
Not later than one financial year	34,600	22,000
Later than one year but not later than five years	<u>1,800</u>	<u>0</u>
	<u>36,400</u>	<u>22,000</u>

17. Financial risk management

The Company's overall risk management seeks to minimise potential adverse effects of financial performance of the Company. The directors, who manage the Company's financial risk directly, review on constant basis the policies and ensure that they are complied with.

The following sections provide details regarding the Company's exposure to these risks:

17.1 Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Company.

The Company has policies in place to ensure that sales are made to customers with an appropriate credit history and credit standing.

The Company's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements, net of allowances of losses.

The credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. Company had no significant concentration of credit risk.

17.2 Currency risk

The directors determined that sensitivity to the exchange rate changes does not impose significant impact on the results and operations of the Company.

17.3 Interest rate risk

The Company's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

17. Financial risk management (Cont'd)

17.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial assets and liability at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2017			
Financial assets			
Cash and cash equivalents	298,673	0	298,673
Other receivables	156,440	0	156,440
	<u>455,113</u>	<u>0</u>	<u>455,113</u>
Financial liabilities			
Other payables and accruals	(47,028)	0	(47,028)
	<u>408,085</u>	<u>0</u>	<u>408,085</u>
2016			
Financial assets			
Cash and cash equivalents	701,795	0	701,795
Other receivables	94,951	0	94,951
	<u>796,746</u>	<u>0</u>	<u>796,746</u>
Financial liabilities			
Other payables and accruals	(53,139)	0	(53,139)
	<u>743,607</u>	<u>0</u>	<u>743,607</u>

17.5 Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values.

18. Reserve position and policy

The Company's reserve position for financial year ended 31 May 2017 is as follows:

		2017	2016	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general fund	412	744	(44.62)
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	N/A
	Restricted Funds	N/A	N/A	N/A
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	412	744	(44.62)
E	Total Annual Operating Expenditure	561	690	(18.70)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.73	1.08	

Reference:

- C. An endowment fund consists of assets, funds or properties that are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes direct cost and administrative costs.

The Company's reserve policy is as follows:

The Company would hold its reserves up to a year's operational expenses.

19. Management of conflict of interest

There is no paid staff on the Company's Board of Directors.

Board of Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Board of Directors may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

20. Authorisation of financial statements

The financial statements for the year ended 31 May 2017 were authorised for issue in accordance with a resolution of the Directors on 05 OCT 2017