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 2019

CONTENTS

Fiducia LLP
[UEN. T10LL0955L]
Public Accountants and
Chartered Accountants of Singapore

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Honour (Singapore) Ltd. (the "Company") for the financial year ended 31 May 2019.

In the opinion of the directors,

a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 May 2019 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 are, or one of whose object is, 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, 23 SEP 2019

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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 financial statements of Honour (Singapore) Ltd. (the "Company"), which comprise the statement of financial position as at 31 May 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows 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 2019 and of the financial performance, changes in funds and cash flows of the Company for the financial 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, 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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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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 Companies Act, the Charities Act and Regulations and FRSs, 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 scepticism 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 Companies 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 financial 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

Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 23 SEP 2019

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	2019 General fund S$	2018 General fund S$
INCOME			
General donations	5	584,446	682,495
Government grants			
- Tote Board funding		100,000	180,000
Honour International Symposium	6	572,957	19,500
Fees received			
- Learning journey fees		7,245	6,640
- Film screening		1,200	0
- Speaking engagements		6,100	0
- CEO Forum – Registration fees		8,100	0
		1,280,048	888,635
OTHER INCOME			
Temporary employment credit		0	629
Wage credit scheme		1,280	1,235
Miscellaneous income		0	998
		1,280	2,862
Total income		1,281,328	891,497
LESS: EXPENDITURE			
Community Outreach	8	7,874	3,016
Filmmaking and Learning Journey Initiatives	8	295,373	380,816
Honour Fundraising Event	8	38,718	9,910
Honour International Symposium	6	420,408	0
Honour Toolkit	8	16	147
Administrative costs			
Audit fee		3,210	3,210
Accounting fee		6,000	6,000
Bank charge		1,568	1,961
CPF and SDL		22,412	21,967
Media and communication		5,564	5,757
Medical claim		1,687	1,189
Rental of premises		42,693	41,432
Repair and maintenance		14,763	0
Salaries and bonus		163,945	160,709
Secretarial fees		0	1,720
Staff insurance		1,660	1,593
Staff Training		0	71
Stationery		406	571
Telephone, fax and internet		343	377
Other expenses		2,576	1,296
Total expenditure		1,029,216	641,742
NET SURPLUS		252,112	249,755
TOTAL FUNDS BROUGHT FORWARD		661,440	411,685
TOTAL FUNDS CARRIED FORWARD		913,552	661,440

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2019

	Note	2019 S$	2018 S$
ASSETS			
Current assets			
Cash and cash equivalents	9	814,361	632,270
Other receivables	10	105,047	105,939
Total assets		919,408	738,209
LIABILITY			
Current liability			
Other payables and accruals	12	5,856	76,769
Total liability		5,856	76,769
Net assets		913,552	661,440
FUND			
Unrestricted fund			
General fund	13	913,552	661,440
Total fund		913,552	661,440

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

2019	Balance at beginning of financial year S$	Net surplus S$	Balance at end financial of year S$
Unrestricted fund			
General fund	661,440	252,112	913,552
Total fund	661,440	252,112	913,552

2018	Balance at beginning of financial year S$	Net surplus S$	Balance at end financial of year S$
Unrestricted fund			
General fund	411,685	249,755	661,440
Total fund	411,685	249,755	661,440

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
Net surplus for the financial year and operating cash flow before changes in working capital		252,112	249,755
Changes in working capital:			
Other receivables		892	54,101
Other payables and accruals		(70,913)	29,741
Net cash generated from operating activities		182,091	333,597
Net increase in cash and cash equivalents		182,091	333,597
Cash and cash equivalents at beginning of financial year		632,270	298,673
Cash and cash equivalents at end of financial year	9	814,361	632,270

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

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 IPC status has been renewed for the period from 21 May 2019 to 20 May 2022.

The principal activity of the Company is to advance the material, social, spiritual welfare and prosperity of Singapore and Singaporeans through the promotion of a culture of honour and honouring 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.

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

The preparation of the 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 2019

On 1 June 2018, the Company 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 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. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

FRS	**Effective date**	**Title**
INT FRS 123	1.1.2019	Uncertainty over Income Tax Treatments
FRS 109	1.1.2019	Amendments to FRS 109: Prepayment Features with Negative Compensation
FRS 116	1.1.2019	Leases

Except for FRS 116, the management expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of the initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Donations

Donations are recognised at a point in time upon receipt.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Fees received

Fees received from the participants is recognised when the services have been performed and rendered.

2.2.3 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Government grants

Government 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.

2.4 Costs and expenses recognition

All costs and expenses are 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.

2.5 Employee compensation

2.5.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.5.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.6 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

2.7 Financial assets

(a) The accounting for financial assets before 1 January 2018 under FRS 39 are as follows:

<u>Loans and receivables</u>

- Cash and cash equivalents
- Other receivables

Cash and cash equivalents and other receivables are initially recognised at fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

(a) The accounting for financial assets before 1 January 2018 under FRS 39 are as follows (Cont'd):

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

(b) The accounting for financial assets from 1 January 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement categories:

- Amortised cost

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instrument

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Significant accounting policies (Cont'd)

2.8 Cash and cash equivalents

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

2.9 Plant and equipment

2.9.1 Measurement

All 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 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.

2.9.2 Depreciation

Depreciation on 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 plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision of the residual values and useful lives are included in the financial activities for the financial year in which the changes arise.

2.9.3 Subsequent expenditure

Subsequent expenditure relating to 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 financial activities during the financial year in which it is incurred.

2.9.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.10 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.

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.

2.11 Other payables and accruals

Other payables and accruals represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

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

2.12 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.

2.13 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.

3. Critical accounting estimates, assumptions and judgements

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

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. There are no 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.

3.2 Critical judgments in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future 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.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

4. Income tax

The Company is an approved charity organisation under the Charities Act, Chapter 37. Consequently, the income of the Company is exempt from income tax under the provisions of Section 13(1)(zm) of the Income Tax Act Cap. 134.

5. Donations

	Note	2019 S$	2018 S$
General donations			
- Tax deductible donations		499,220	422,046
- Non-tax deductible donation		85,226	260,449
		584,446	682,495
Honour International Symposium			
- Tax deductible donations	6	248,350	18,000
		832,796	700,495

6. Honour International Symposium (HIS)

	Note	2019 S$	2018 S$
Income			
Donations *	5	248,350	18,000
John Templeton Foundation grant **		53,964	0
Registration fee		60,732	1,500
Sponsored venue, food and accommodation expenses		209,911	0
Total HIS donations received		572,957	19,500
Less: Expenses			
Equipment and logistics		77,225	0
Event management		22,000	0
Gifts		22,723	0
Honorarium		11,177	0
Manpower		1,808	0
Other expenses		1,748	0
Performance		7,050	0
Publicity		4,920	0
Sponsored participants		53,964	0
Transport		587	0
Venue, food and accommodation expenses		210,806	0
Video and photography		6,400	0
Total HIS expenses		420,408	0
Net surplus on event		152,549	19,500

* For sponsorship of local participants at HIS event
** For sponsorship of international participants at HIS event

7. Fund-raising activities and expenditure

	2019 S$	2018 S$
Fund-raising lunch		
Proceeds	276,750	569,350
Less:		
Fundraising expenses	(38,718)	(9,910)
Net fundraising income	238,032	559,440
Fund-raising efficiency ratio	14%	2%

8. Expenditure

	2019 S$	2018 S$
Community Outreach		
CEO forum	80	634
Honour Champions	7,492	1,380
Thought Leadership - Other	302	1,002
	7,874	3,016

8. Expenditure (Cont'd)

	2019 S$	2018 S$
Filmmaking and Learning Journey Initiatives		
Learning Journey	19,660	58,307
Partnership development	0	22,500
Recruitment, publicity and video	228,297	243,759
Screening and distribution	47,416	56,250
	295,373	380,816
Honour Fundraising Event	38,718	9,910
Honour Toolkit		
Design and development	16	147

9. Cash and cash equivalents

	2019 S$	2018 S$
Cash on hand	588	860
Cash in bank	813,773	631,410
	814,361	632,270

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

10. Other receivables

	2019 S$	2018 S$
Grant funding receivables	90,000	90,000
Deposit	7,040	6,440
Prepayment	3,852	9,000
Others	4,155	499
	105,047	105,939

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

11. Plant and equipment

2019	Balance at beginning of financial year S$	Additions S$	(Disposals) S$	Balance at end of financial year S$
Cost				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	5,289	0	0	5,289

11. Plant and equipment (Cont'd)

2019 (Cont'd)	Balance at beginning of financial year S$	Depreciation S$	(Disposals) S$	Balance at end of financial year S$
Accumulated depreciation				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	5,289	0	0	5,289

	Balance at beginning of financial year S$	Balance at end of financial year S$
Carrying amount		
Computers	0	0
Office equipment	0	0
	0	0

2018	Balance at beginning of financial year S$	Additions S$	(Disposals) S$	Balance at end of financial year S$
Cost				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	5,289	0	0	5,289

	Balance at beginning of year S$	Depreciation S$	(Disposals) S$	Balance at end of financial year S$
Accumulated depreciation				
Computers	4,606	0	0	4,606
Office equipment	683	0	0	683
	5,289	0	0	5,289

	Balance at beginning of financial year S$	Balance at end of financial year S$
Carrying amount		
Computers	0	0
Office equipment	0	0
	0	0

12. Other payables and accruals

	2019 S$	2018 S$
Accruals	210	3,782
Non-trade payables	5,646	72,987
	5,856	76,769

At the reporting date, the carrying amounts of other payables and accruals approximate 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. Related party transactions

(a) Related party transactions

There are no transactions with related parties during the financial year.

(b) 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.

	2019 S$	2018 S$
Salaries and bonus	114,545	112,500
Post-employment benefits – Employer's contribution to CPF	13,770	13,770
	128,315	126,270

The annual remuneration of key management personnel are classified as follows:

	2019 No. of personnel	2018 No. of personnel
Remuneration band		
Between S$100,001 to $200,000	1	1

15. Commitments

15.1 Operating lease commitments

At the reporting date, the Company has commitments for future minimum lease payments in respect of leasing of premises under non-cancellable operating leases as follows:

	2019 S$	2018 S$
Lease of premises		
Not later than one year	42,372	38,841

15. Commitments (Cont'd)

15.2 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:

	2019 S$	2018 S$
Consultancy and event management services		
Not later than one year	19,250	25,500

16. 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:

16.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from cash and cash equivalents and other receivables.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. For other receivables, the Company adopts the policy of dealing only with high credit rating counterparties. The Company has applied the general 3 stage approach in FRS109 to measure the loss allowance at 12-months expected credit loss (ECL) due to the counterparty has a low risk of default and does not have any past due amounts.

16.2 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 date based on the contractual undiscounted repayment obligations:

2019	Within one year S$	Later than one year but not later than five years S$	Total S$
Financial assets measured at amortised cost			
Cash and cash equivalents	814,361	0	814,361
Other receivables (excluding prepayment)	101,195	0	101,195
	915,556	0	915,556
Financial liabilities measured at amortised cost			
Other payables and accruals	(5,856)	0	(5,856)
	909,700	0	909,700

16. Financial risk management (Cont'd)

16.2 Liquidity risk (Cont'd)

2018	Within one year S$	Later than one year but not later than five years S$	Total S$
Loans and receivables			
Cash and cash equivalents	632,270	0	632,270
Other receivables (excluding prepayment)	96,939	0	96,939
	729,209	0	729,209
Financial liabilities measured at amortised cost			
Other payables and accruals	(76,769)	0	(76,769)
	652,440	0	652,440

16.3 Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to its short term nature.

17. Reserve position and policy

The Company's reserve position for financial years ended 31 May 2019 and 31 May 2018 are as follows:

		2019	2018	Increase/ (Decrease)
		S$'000	S$'000	%
A	Unrestricted Funds			
	Accumulated general fund	914	661	38.28
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	914	661	38.28
E	Total Annual Operating Expenditure	1,029	642	60.28
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.89	1.03	

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 approximately a year's operational expenses.

18. Management of conflict of interest

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

The 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.

19. Authorisation of financial statements

The financial statements for the financial year ended 31 May 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 23 SEP 2019