

# STUDENT ADVISORY CENTRE

*(A Company limited by guarantee and not having a share capital)*

(UEN: 200201465K)

**AUDITED FINANCIAL  
STATEMENTS AND OTHER  
FINANCIAL INFORMATION  
FOR THE YEAR ENDED 31  
DECEMBER 2015**



Quality | Integrity | Team

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**Kudos CAS Public Accounting Corporation**  
Public Accountants and Chartered Accountants of Singapore

# STUDENT ADVISORY CENTRE

## General information

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### Directors

Seah Gek Huang Sandra  
Peter Paul Douglas  
Ng How Yue  
Maurice Nhan  
Xie Sheng Jie (appointed on 25 January 2016)

### Secretary

Tan Hwee Bin

### Registered Office

Blk 365 Clementi Avenue 2,  
#01-503  
Singapore 120365

### Bankers

United Overseas Bank Limited  
DBS Bank Ltd  
Oversea-Chinese Banking Corporation Limited

### Auditors

Kudos CAS Public Accounting Corporation

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## **STUDENT ADVISORY CENTRE**

### **Directors' statement**

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The directors are pleased to present their statement to the members together with the audited financial statements of Student Advisory Centre ("the Company") for the financial year ended 31 December 2015.

#### **1. Opinion of the directors**

In the opinion of the directors,

- (i) the financial statements of the Company and the statement of financial position and statement of changes in funds 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 December 2015 and the financial performance, changes in funds and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **2. Directors**

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

Seah Gek Huang Sandra  
Peter Paul Douglas  
Ng How Yue  
Maurice Nhan  
Xie Sheng Jie (appointed on 25 January 2016)

#### **3. Arrangements to enable directors to acquire shares or debentures**

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

#### **4. Directors' contractual benefits**

Except as disclosed in the financial statements, since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

## STUDENT ADVISORY CENTRE

### Directors' statement

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#### 5. Other matter

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

#### 6. Auditor

Kudos CAS Public Accounting Corporation have expressed their willingness to accept reappointment as auditor.

On behalf of board of directors,



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Peter Paul Douglas  
Director



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Seah Gek Huang Sandra  
Director

Singapore

23 May 2016

# **Kudos CAS Public Accounting Corporation**

**Public Accountants and Chartered Accountants of Singapore**

**9 Hong Kong Street, #05-01, Singapore 059652**

**Tel no: 6225 5515 Fax no: 6221 1550**

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## **Independent auditor's report to the members of Student Advisory Centre**

### **Report on the financial statements**

We have audited the accompanying financial statements of Student Advisory Centre (the "Company") set out on pages 5 to 29, which comprise the statement of financial position as at 31 December 2015, and statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements for the year ended 31 December 2014 were audited by other auditors whose report dated 30 June 2015 expressed an unqualified opinion on those financial statements.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) 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 statement of financial activities and statement of financial position and to maintain accountability of assets.

### **Auditor's 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Kudos CAS Public Accounting Corporation

Public Accountants and Chartered Accountants of Singapore

9 Hong Kong Street, #05-01, Singapore 059652

Tel no: 6225 5515 Fax no: 6221 1550

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## Independent auditor's report to the members of Student Advisory Centre (cont'd)

### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2015 and of the results, changes in funds and cash flows for the financial year ended on that date.

### Report on other legal and regulatory requirements

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

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008; has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Company.



Kudos CAS Public Accounting Corporation  
Public Accountants and  
Chartered Accountants  
Singapore

23 May 2016

Partner-in-charge: Chan Kwei Yin

PAB. No: 01617

## STUDENT ADVISORY CENTRE

### Statement of financial position as at 31 December 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	4	9,203	18,832
<b>Current assets</b>			
Other receivables	5	115,706	23,627
Cash and cash equivalents	6	1,221,410	754,915
		<u>1,337,116</u>	<u>778,542</u>
<b>Total assets</b>		<u>1,346,319</u>	<u>797,374</u>
<b>Funds and liabilities</b>			
<b>Current liabilities</b>			
Other payables	7	7,995	32,999
Deferred capital grant	8	–	–
		<u>7,995</u>	<u>32,999</u>
<b>Net current assets</b>		<u>1,329,121</u>	<u>745,543</u>
<b>Net assets</b>		<u>1,338,324</u>	<u>764,375</u>
<b>Fund of charity</b>			
Unrestricted funds	9	1,338,324	764,375
<b>Total funds and liabilities</b>		<u>1,346,319</u>	<u>797,374</u>

*The accompanying notes to the financial statements form an integral part of the audited financial statements.*

## STUDENT ADVISORY CENTRE

### Statement of financial activities for the financial year ended 31 December 2015

	Note	2015 \$	2014 \$
<b>Income</b>			
Income from generating funds			
– Voluntary income	10	465,072	287,282
Activities for generating funds			
– Fund-raising activities	10	228,115	396,012
Income from charitable activities	10	241,908	235,157
Other income	10	24,587	18,899
Total income		<u>959,682</u>	<u>937,350</u>
<b>Expenditures</b>			
Cost of generating funds			
– Cost of fund-raising activities	11	13,478	14,379
Cost of charitable activities	11	251,809	424,566
Governance and administrative costs	11	120,446	323,819
Total expenditures		<u>385,733</u>	<u>762,764</u>
<b>Net income</b>		573,949	174,586
<b>Accumulated funds brought forward</b>		<u>764,375</u>	<u>589,789</u>
<b>Accumulated funds carried forward</b>		<u>1,338,324</u>	<u>764,375</u>

*The accompanying notes to the financial statements form an integral part of the audited financial statements.*



## STUDENT ADVISORY CENTRE

### Statement of changes in funds for the financial year ended 31 December 2015

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	<b>Unrestricted fund \$</b>	<b>Total \$</b>
Balance at 01.01.2014	589,789	589,789
Net income for the financial year	<u>174,586</u>	<u>174,586</u>
Balance at 31.12.2014	764,375	764,375
Net income for the financial year	<u>573,949</u>	<u>573,949</u>
Balance at 31.12.2015	<u><u>1,338,324</u></u>	<u><u>1,338,324</u></u>

*The accompanying notes to the financial statements form an integral part of the audited financial statements.*

## STUDENT ADVISORY CENTRE

### Statement of cash flows for the financial year ended 31 December 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Net income		573,949	174,586
Adjustments for:			
Amortisation of deferred capital grant		–	(11,131)
Depreciation		8,550	19,057
Plant and equipment written off		1,079	–
Impairment of other receivables		360	–
Operating cash flow before working capital changes		<u>583,938</u>	<u>182,512</u>
<i>Changes in working capital:</i>			
(Increase) / decrease in other receivables		(92,439)	120,974
Decrease in other payables		<u>(25,004)</u>	<u>(19,301)</u>
<b>Net cash generated from operating activities</b>		<u>466,495</u>	<u>284,185</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		<u>–</u>	<u>(4,002)</u>
<b>Net cash used in investing activities</b>		<u>–</u>	<u>(4,002)</u>
<b>Net increase in cash and cash equivalents</b>		466,495	280,183
<b>Cash and cash equivalents at beginning of the year</b>		<u>754,915</u>	<u>474,732</u>
<b>Cash and cash equivalents at end of the year</b>	6	<u>1,221,410</u>	<u>754,915</u>

*The accompanying notes to the financial statements form an integral part of the audited financial statements.*

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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These notes to the financial statements form an integral part of the audited financial statements and should read in conjunction thereof.

#### 1. Corporate information

The Company is incorporated and domiciled in Singapore as a company limited by guarantee. The address of its registered office is Blk 365 Clementi Avenue 2 #01-503 Singapore 120365.

The Company is registered as a charity under the Charities Act (Chapter 37) with effect from 08 August 2002 and is a member with Commissioner of Charities.

The Company has been accorded an Institution of Public Character ('IPC') status for the period from 19 June 2014 to 30 June 2015.

The principal activities of the Company is in the provision of counselling and workshop services, free food, financial assistance, for the needy and trouble kids in Singapore.

#### 2. Summary of significant accounting policies

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and the disclosure requirements of Charity Accounting Standard.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below and are presented in Singapore Dollars (SGD or \$).

##### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of previous financial year except in the current year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any effect on the financial performance or position of the Company.

##### FRSs effective for annual period beginning on or after 1 January 2015

The following FRS and INT FRS are effective for the annual period beginning on or after 1 January 2015:

- Amendments to FRS 19 *Defined Benefits Plan: Employee Contributions*
- Improvements to FRS (January 2014)
  - Amendments to FRS 16 *Property, plant and equipment*
  - Amendments to FRS 24 *Related party disclosure*

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 109 Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

### 2.4 Functional currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("the functional currency"). The financial statements of the Company are presented in Singapore dollars, which is also the presentation currency of the Company.

### 2.5 Plant and equipment

All items of plant and equipment are initially recorded 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 cost that is directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation is charged so as to write off the cost or valuation of assets, calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follow:

	<u>Useful lives</u>
Renovation	– 5 years
Furniture and fittings	– 5 years
Office equipment	– 5 years

The residual values, useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.5 *Plant and equipment (cont'd)*

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the statement of financial activities in the financial year the asset is derecognised.

### 2.6 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in statement of financial activities.

### 2.7 *Financial instruments*

#### a) *Financial assets*

##### Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.7 Financial instruments (cont'd)

#### (a) Financial assets (cont'd)

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follow:

##### i) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in statement of financial activities when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

##### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### (b) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

##### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in statement of financial activities when the liabilities are de-recognised, and through the amortisation process.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.7 Financial instruments (cont'd)

#### (b) Financial liabilities (cont'd)

##### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in statement of financial activities.

### 2.8 Impairment of financial assets

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

#### a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of financial activities.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.8 Impairment of financial assets (cont'd)

#### a) *Financial assets carried at amortised cost (cont'd)*

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of financial activities.

#### (b) *Financial assets carried at cost*

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

### 2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of changes in value.

### 2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.11 *Employee benefits*

#### (a) *Defined contribution plans*

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and re-measurement of the liability are recognised in statement of financial activities.

### 2.12 *Operating leases*

Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term. The aggregate benefit of incentives provided by lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

### 2.13 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually define terms of payment and excluding taxes or duty.

#### (a) *Donations*

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.13 Revenue recognition (cont'd)

(b) Government grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the grant relates to the asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

(c) Interest income

Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time-proportion basis using the effective interest method.

(d) Other income

Other income is recognised when incurred.

### 2.14 Cost recognition

#### Resources expended

All expenditures 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.

(a) Cost of generating funds from fund-raising activities

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

(b) Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total costs of charitable expenditure are apportionment of overhead and shared costs.

(c) Governance costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.15 Funds

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

### 2.16 Income taxes

The Company is registered as a charity organisation under the Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1) of the Income Tax Act.

### 2.17 Related parties

A party is considered to be related to the Company if:

- (a) The party, directly or indirectly through one or more intermediaries,
  - (i) controls, is controlled by, or is under common control with the Company.
  - (ii) has an interest in the Company that gives it significant influence over the Company; or
  - (iii) has joint control over the Company.
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is member of the key management personnel of the Company;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan of the employees of the Company, or any entity that is a related party of the Company.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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#### 3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

##### *Key sources of estimation uncertainty*

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.

##### (a) *Useful lives of plant and equipment*

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be 5 years (2014: 5 years). Changes in the expected level of 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 the Company's plant and equipment is disclosed in Note 4 to the financial statements.

##### (b) *Impairment of plant and equipment*

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.

##### (c) *Impairment of loans and receivables*

The Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loan and receivables at the end of the reporting period is disclosed in Note 5 to the financial statements.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 4. Plant and equipment

	Renovation \$	Furniture and Fittings \$	Office Equipment \$	Total \$
<b>Cost</b>				
At 01.01.2014	74,222	27,722	47,151	149,095
Additions	–	2,932	1,070	4,002
At 31.12.2014	74,222	30,654	48,221	153,097
Disposal	(13,746)	(13,713)	(33,608)	(61,067)
At 31.12.2015	60,476	16,941	14,613	92,030
<b>Accumulated depreciation</b>				
At 01.01.2014	54,298	20,830	40,080	115,208
Depreciation charge	12,095	3,388	3,574	19,057
At 31.12.2014	66,393	24,218	43,654	134,265
Depreciation charge	3,914	2,632	2,004	8,550
Disposal	(13,746)	(13,713)	(32,529)	(59,988)
At 31.12.2015	56,561	13,137	13,129	82,827
<b>Carrying amount</b>				
At 31.12.2015	3,915	3,804	1,484	9,203
At 31.12.2014	7,829	6,436	4,567	18,832

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 5. Other receivables

	2015	2014
	\$	\$
Other receivables (see below)	-	2,333
Accrued income	12,763	8,993
Receivable from Paypal	-	7,274
Refundable deposits	1,363	1,363
Staff's advance	-	3,664
Prepayments	101,580	-
	<u>115,706</u>	<u>23,627</u>
Less: Prepayments	(101,580)	-
Add: Cash and cash equivalents (Note 6)	<u>1,221,410</u>	<u>754,915</u>
Total loans and receivables	<u>1,235,536</u>	<u>778,542</u>

#### Receivables that are impaired

The Company other receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	2015	2014
	\$	\$
Other receivables – nominal amounts	360	-
Allowance for impairment	<u>(360)</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>

	2015	2014
	\$	\$
<u>Movement in allowance accounts:</u>		
At beginning of the year	-	-
Allowance for impairment	<u>(360)</u>	<u>-</u>
At end of year	<u>(360)</u>	<u>-</u>

The carrying amount of other receivable are approximately their fair values and denominated in Singapore dollars.

Other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 6. Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank (Note 5)	<u>1,221,410</u>	<u>754,915</u>

At the statement of financial position date, the carrying amounts of cash and cash equivalents are approximately their fair value and denominated in Singapore dollars.

#### 7. Other payables

	2015	2014
	\$	\$
Accruals	<u>7,995</u>	<u>32,999</u>
Total financial liabilities	<u>7,995</u>	<u>32,999</u>

The Company's other payables are approximately their fair value and denominated in Singapore dollars.

#### 8. Deferred capital grants

	NCSS grant	Others	Total
	\$	\$	\$
<b>Cost</b>			
As at 01.01.2014, 31.12.2014 and 31.12.2015	<u>51,092</u>	<u>4,309</u>	<u>55,401</u>
<b>Accumulated amortisation</b>			
As at 01.01.2014	(40,874)	(3,396)	(44,270)
Amortisation for the year	(10,218)	(913)	(11,131)
As at 31.12.2014 and 31.12.2015	<u>(51,092)</u>	<u>(4,309)</u>	<u>(55,401)</u>
<b>Net carrying amount at end of financial year</b>			
Current	-	-	-
Non-current	-	-	-
As at 31.12.2014 and 31.12.2015	<u>-</u>	<u>-</u>	<u>-</u>

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 8. Deferred capital grants (cont'd)

These amounts represent government grants for purchase of plant and equipment. The unamortised balance as at the date of the statement of financial position substantially represent sums payable to the grantor should the Company fail to fulfil the obligations stipulated under the grant agreements.

#### 9. Funds

##### Unrestricted general fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company.

#### 10. Income

	2015	2014
	\$	\$
<b>Voluntary income</b>		
Donations		
- tax exempt	353,952	258,477
- non tax exempt	111,120	28,805
	<u>465,072</u>	<u>287,282</u>
<b>Fund-raising activities</b>		
Bookmark day		
- tax exempt	-	-
- non tax exempt	22,569	24,892
Community Arts		
- tax exempt	-	-
- non tax exempt	106	-
Flag day		
- tax exempt	-	120,849
- non tax exempt	-	-



## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 10. Income (cont'd)

	2015	2014
	\$	\$
<b>Fund-raising activities (cont'd)</b>		
Food for families		
- tax exempt	75,636	37,415
- non tax exempt	4,410	800
Hotmeal		
- tax exempt	5,500	-
- non tax exempt	5,000	-
Home improvement income		
- tax exempt	100	10,500
- non tax exempt	-	800
Lunch box fund		
- tax exempt	41,048	68,158
- non tax exempt	7,680	905
Youth for courses		
- tax exempt	-	-
- non tax exempt	-	24,386
Wishing well donations		
- tax exempt	63,916	91,530
- non tax exempt	2,150	15,777
	<u>228,115</u>	<u>396,012</u>
<b>Charitable activities</b>		
Grant income	235,908	217,684
School-based social services	6,000	17,473
	<u>241,908</u>	<u>235,157</u>
<b>Other income</b>		
Sundry	<u>24,587</u>	<u>18,899</u>

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 11. Expenditure

	2015	2014
	\$	\$
<b>Cost of fund-raising activities</b>		
Bookmark day expenses	1,954	2,850
Direct cost of fund - general	9,889	-
Flag day expenses	-	8,741
Online portal charges	1,635	2,788
	<u>13,478</u>	<u>14,379</u>
<b>Cost of charitable activities</b>		
ESU – Freelance counsellor costs	93,810	52,295
ESU – Other costs	2,325	2,594
ESU & Charity – Staff CPF and SDL	8,355	33,094
ESU & Charity – Staff salaries	65,009	215,082
Food for family expenses	2,274	13,984
Home improvement cost	-	622
Hotmeal expense	10,716	-
Lunch box fund disbursement	21,989	55,812
School programmes direct expenses	2,272	1,100
Temporary staff cost	20,127	-
Volunteer allowance	-	338
Wishing well disbursement	24,932	42,840
Youth guidance centre expenses	-	6,805
	<u>251,809</u>	<u>424,566</u>
<b>Governance and administrative costs</b>		
Accounting and payroll processing fees	15,200	20,250
Admin – Staff CPF and SDL	2,692	22,496
Admin – Staff salaries	22,816	184,249
Advertising and marketing	-	1,320
Audit fee	5,451	6,515
Bank charges	620	238
Corporate gifts	146	40
Depreciation of plant and equipment	8,550	19,057
Entertainment and refreshment	-	333
Foreign worker's levy	-	3,507
Legal and professional fees	(1,900)	1,900
Medical fee	117	652

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 11. Expenditure (cont'd)

	2015	2014
	\$	\$
<b>Governance and administrative costs (cont'd)</b>		
Office cleaning and maintenance	2,709	3,304
Office rental	9,428	11,142
Office supplies and stationery	2,797	2,283
Other expenses	-	499
Overseas travelling	-	248
Plant and equipment written off	1,079	-
Postages and courier charges	254	741
Provision for bad debts	360	-
Recruitment	118	604
Repair and maintenance	206	5,203
Secretarial fee	660	695
Severance pay	21,950	-
Staff amenities	1,450	3,363
Staff morale and welfare	412	1,940
Telephone and internet	7,330	13,141
Temporary staff cost	11,312	9,103
Training and seminar	107	1,397
Transportation	2,360	3,781
Utilities	4,222	5,818
	<u>120,446</u>	<u>323,819</u>
Total expenditures	<u>385,733</u>	<u>762,764</u>

#### 12. Income tax expense

The Company is registered as a charity organisation under the Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act Chapter 134.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 13. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if the party has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Key management personnel compensation for the financial year is as follows:

##### Compensation of key management personnel

	2015	2014
	\$	\$
Post-employment benefits – contributions to CPF	7,200	11,356
Salaries and other short-term employee benefits	66,000	98,775
Salaries and other short-term employee benefits	21,950	-
	<u>95,150</u>	<u>110,131</u>

##### Number of key management in remuneration bands

	2015	2014
	\$	\$
Below \$100,000	1	-
\$100,000 to \$150,000	<u>-</u>	<u>1</u>

#### 14. Commitments

##### (a) Capital commitments

Estimated capital expenditure contracted for as the date of statement of financial position but not recognised on the financial statements are as follows:

	2015	2014
	\$	\$
Capital commitments in respect of property's renovation	<u>68,855</u>	<u>-</u>

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 15. Reserve policy and position

The Company's reserve position (excluding non-current assets) for financial year ended 31 December 2014 and 31 December 2015 is as follows:

		2015	2014	Increase
		\$'000	\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,338	764	75%
B	Restricted or Designated funds			
	Designated funds	N/A	N/A	
	Restricted funds	N/A	N/A	
C	Endowment funds	N/A	N/A	
D	Total funds	1,338	764	75%
E	Total annual operating expenditure	386	763	-49%
F	Ratio of funds to annual operating expenditure (A/E)	3.5	1.0	

Reference:

- A. Please refer to Note 9.
- B. A restricted or designated funds, restricted by outside sources, are distinguished from unrestricted funds and allocated to specific purposes by the executive committee members and directors. Restricted funds may only be utilised in accordance with the purposes for which they are established.
- C. An endowment fund consists of assets, funds or properties, which 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 expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration Expenses.

The Company's reserve policy is as follows:

- i) The Company sets aside a minimum of 10% of its income annually in its accounts, not totalling more than 5 years excess of projected annual expenditure in its reserves.

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

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#### 16. Management of conflict of interest

If the director of the Company is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Company or any sub-committee thereof, at which the contract or other matter is the subject of consideration, the director shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration or discussion of, and shall not vote on, any question with respect to that contract or other matter.

#### 17. Financial risk management objectives and policies

The Company does not documented policies and guidelines on risk management. The Company does not hold or issue derivative financial instruments.

(a) *Credit risk*

The Company has no significant concentrations of credit risk. The Company places its cash with creditworthy financial institutions. The carrying amounts of other receivables and deposits and cash and cash equivalents represent the Company's maximum exposure to credit risk. The Company manages its credit risk in other receivables through its credit evaluation process, credit policies and credit control and debt collection procedures.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents with banks and financing its operating activities through its cash holding.

Analysis of financial instruments by remaining contractual maturities

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

## STUDENT ADVISORY CENTRE

### Notes to the financial statements

For the financial year ended 31 December 2015

#### 17. Financial risk management objectives and policies (cont'd)

	2015		2014	
	One year or less \$	Total \$	One year or less \$	Total \$
<b>Financial assets:</b>				
Other receivables (Note 5)	14,126	14,126	23,627	23,627
Cash and cash equivalents (Note 6)	1,221,410	1,221,410	754,915	754,915
Total undiscounted financial assets	1,235,536	1,235,536	778,542	778,542
<b>Financial liabilities:</b>				
Other payables (Note 7)	(7,995)	(7,995)	(32,999)	(32,999)
Total undiscounted financial liabilities	(7,995)	(7,995)	(32,999)	(32,999)
Total net undiscounted financial assets	1,227,541	1,227,541	(745,543)	(745,543)

(c) *Interest rate risk*

The Company is not exposed to interest rate risk as it has no bank borrowings.

(d) *Foreign currency risk*

The Company does not engage in trading of or speculation in foreign currencies and does not have any financial instruments that are exposed to significant foreign currency risks.

#### 18. Comparative figures

The financial statements for the year ended 31 December 2014 were audited by other auditors whose report dated 30 June 2015 expressed an unqualified opinion on those financial statements.

#### 19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the board of directors of Student Advisory Centre on the date of the statement by directors.