SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the management committee,

(a) The financial statements of the Singapore Planned Families Association (the "Association") are drawn up so as to give a true and fair view of the financial position of the Association as at 31 December 2017 and the financial performance, changes in funds and cash flows of the Association for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when the fall due.

On behalf of the Management Committee,

ONG KENG WAN EDWARD, PBM PRESIDENT	DR CHEN SZE HUA HONORARY TREASURER

6 March 2018
Singapore

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE SINGAPORE PLANNED FAMILIES ASSOCIATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SINGAPORE PLANNED FAMILIES ASSOCIATION (the "Association"), which comprise the statement of financial position of the Association as at 31 December 2017, statement of comprehensive income, statement of changes in funds and statement of cash flows of the Association for the 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 the Charities Act, Chapter 37 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Association as at 31 December 2017 and of the financial performance, changes in funds and cash flows of the Association 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association 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 Statement by management committee.

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of Management Committee 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

The management committee's responsibilities include overseeing the Association's financial reporting process.

Auditors' 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 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 circumferences, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

- Conclude on the appropriateness of management committee'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 Association'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 Association 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 the management committee 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 Requirement

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

During the course of our audit, nothing came to our attention that caused us to believe that during the reporting year:

(a) the use of the donation moneys was not in accordance with the objectives of the Association as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Association has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

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K. K. LIM & CO.
Public Accountants and
Chartered Accountants

6 March 2018
Partner-in-charge of audit: Lian Wei Hock

SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Assets			
Non-current assets			
Plant and equipment	4	1,787	3,272
Investment property	5	-	234,483
		1,787	237,755
Current assets			
Deposits		643	643
Cash and cash equivalents	6	1,036,525	2,444
		1,037,168	3,087
Total assets		1,038,955	240,842
Funds and liabilities			
Funds			
General fund		1,031,722	156,565
Designated fund	7	-	71,788
		1,031,722	228,353
Current liabilities			
Other payables	8	7,233	12,489
Total funds and liabilities		1,038,955	240,842

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Income			
Care and Share matching grant		-	1,344
Contributions and sponsorships		587	-
Donations	9	7,380	2,700
Transfer from SPPA premises project fund		-	1,196
Citi-YMCA Youth for Causes	10	-	4,016
OWAAP event income		-	126
Seminar and workshop income		100	145
Counselling fee		130	-
		8,197	9,527
Other income			
Gain on disposal of investment property		854,244	-
Subscription fee		180	200
Rental income from investment property		21,050	42,000
Wage credit scheme payout		735	1,834
Sundry income		335	157
		876,544	44,191
Total income		884,741	53,718
Less: Operating expenses (Schedule 1)		81,372	81,857
Income/(deficit) before income tax		803,369	(28,139)
Income tax	11	-	-
Net income/(deficit)		803,369	(28,139)
Deficit in designated fund		-	(1,196)
Income/(deficit) for the year representing total comprehensive income/(loss) for the year		803,369	(29,335)

SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

SCHEDULE OF OPERATING EXPENSES
YEAR ENDED 31 DECEMBER 2017

	2017 S$	2016 S$
Accountancy fee	4,800	4,800
Audit fee	2,500	3,000
Bank charges	314	290
Cleaning expenses	2,505	2,623
Course fee	-	395
CPF and SDL contributions	6,276	6,269
Depreciation of plant and equipment	1,485	1,499
Depreciation of investment property	2,931	3,908
Event expenses	1,650	-
Insurance	2,050	457
Internet charges	1,396	60
Late payment penalty	18	7
Medical fee	93	-
Office refreshment	145	303
Office supplies	64	169
Office upkeep	334	334
Postage and courier charges	43	79
Printing and stationery	488	1,936
Rental of copier	1,926	1,926
Rental of office premises	5,894	5,893
Repair and maintenance	5,540	6,986
Salaries	36,400	36,400
Seminar expenses	615	-
Subscription fee	-	376
Transport and travelling expenses	52	53
Telephone charges	1,799	1,973
Utilities	2,054	2,121
Total operating expenses	81,372	81,857

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT OF CHANGES IN FUNDS
YEAR ENDED 31 DECEMBER 2017

	General fund S$	Designated fund S$	Total fund S$
Balance at 1 January 2016	184,704	72,984	257,688
Total comprehensive loss for the year	(28,139)	(1,196)	(29,335)
Balance at 31 December 2016	156,565	71,788	228,353
Total comprehensive income for the year	803,369	-	803,369
Reclassification of designated fund to general fund	71,788	(71,788)	-
Balance at 31 December 2017	1,031,722	-	1,031,722

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

SINGAPORE PLANNED FAMILIES ASSOCIATION
(Registered in the Republic of Singapore)

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Cash flows from operating activities			
Income/(deficit) for the year		803,369	(28,139)
Adjustments for:			
Depreciation of plant and equipment		1,485	1,499
Depreciation of investment property		2,931	3,908
Transfer from SPPA premises project fund		-	(1,196)
Gain on disposal of investment property		(854,244)	-
Operating deficit before working capital changes		(46,459)	(23,928)
Changes in working capital:			
Deposits		-	604
Other payables		(5,256)	(17)
Net cash used in operating activities		(51,715)	(23,341)
Cash flows from investing activities			
Proceeds from disposal of investment property		1,085,796	-
Net cash generated from investing activity		1,085,796	-
Net increase/(decrease) in cash and cash equivalents		1,034,081	(23,341)
Cash and cash equivalents at beginning of year		2,444	25,785
Cash and cash equivalents at end of year	6	1,036,525	2,444

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2017

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

1. GENERAL INFORMATION

Singapore Planned Families Association (UEN: S63SS0018K) is registered in the Republic of Singapore as a Society on 19 August 1963 and as a Charity on 6 October 1983 with the objective of promoting sexual and reproductive health awareness in Singapore. The Association's principal sources of revenue donations and local fund-raising activities.

In order to carry out its tasks, the Association provides the following services to the society:

(a) the formulation and development of information, education and training programmes and counseling services including the application of audio visual and mass media materials; and

(b) the assessment of the conduct and effect of the programmes and services undertaken and to examine such other problems as are relevant to the above and to take such actions as considered advisable.

The address of the registered office is at Blk 3A Holland Close, #01-55, Singapore 272003.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of financial statements preparation

The financial statements of the Association have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting polices below.

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

(b) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Association has adopted all the new and revised standards which are relevant to the association and are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any material effect on the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2018 and have not been applied in preparing these financial statements. The Association does not plan to early adopt these standards.

The standards that have been issued but not yet effective are as follows:

Description	**Effective for annual periods beginning on or after**
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 Jan 2018
Amendments to FRS 40: Transfers of Investment Property	1 Jan 2018
Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 Jan 2018
Amendments to FRS 109: Prepayment Features with Negative Compensation	1 Jan 2019
Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures	1 Jan 2019

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

(d) Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Plant and equipment (cont'd)

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

	Useful lives
Furniture and fittings	10 years
Office equipment	5 years
Computers	5 years

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.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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 profit or loss in the year the asset is derecognised.

(e) Investment properties

Investment properties are held either to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purchases; or for sale in the ordinary course of business.

Investment properties are initially recognised at cost, including transaction costs, and subsequently carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful life of 87 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no further economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of non-financial assets

The Association 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 Association 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 or group of 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 are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(g) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Subsequent measurement

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 profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise deposits and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

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 and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Impairment of financial assets

The Association assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Association first assesses 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 Association 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

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 profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Association 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 profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Association's cash management.

(j) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Provisions (cont'd)

Provisions are reviewed at the end of 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.

(k) Government grants

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

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

(l) Employee benefits

Defined contribution plan

The Association 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.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association 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 defined terms of payment and excluding taxes or duty.

Income from donations and sponsorships is recognised as and when received by the Association.

Rental income arising on the investment property is recognised on a straight-line basis over the lease terms.

Subscription fee is recognised when due and received.

The amount transferred from SPPA Premises Project Fund to profit or loss is made on equal proportion over 87 years to match the depreciation charge in respect of the leasehold building.

(n) Income tax

The Association is registered under the Charities Act and its income is exempt from tax under Section 13 (U) of the Singapore Income Tax Act Chapter 134.

(o) Leases

(i) Lessor – operating leases

Leases of investment properties where the Association retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Association in negotiating and arranging leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (cont'd)

(ii) Lessee – operating leases

Finance leases which transfer to the Association substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Association will obtain ownership by the end of the lease term.

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Association'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 end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liabilities affected in the future periods.

(a) Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of plant and equipment and investment property

The useful life of an item of plant and equipment and investment property are estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amounts of the Association's plant and equipment and investment property are disclosed at Notes 4 and 5 to the financial statements.

(ii) Impairment of plant and equipment

The Association follows the guidance of FRS 36 – Impairment of Assets, in determining when a non-financial asset is impaired in respect of its plant and equipment. This assessment requires significant judgement. The Association evaluates, among other factors, the duration and extent to which fair value of the asset is less than its cost, and the financial health of and near-term outlook of the asset, including factors such as industry, sector performance and operational and financing cash flow.

The carrying amount of plant and equipment are disclosed in Note 4 to the financial statements.

4. PLANT AND EQUIPMENT

	Furniture and fittings S$	Office equipment S$	Computers S$	Total S$
Cost				
At 1.1.2016, 31.12.2016 and 31.12.2017	1,990	15,910	11,062	28,962
Accumulated depreciation				
At 1.1.2016	1,656	12,499	10,036	24,191
Charge for the year	167	1,058	274	1,499
At 31.1.2016	1,823	13,557	10,310	25,690
Charge for the year	167	1,044	274	1,485
At 31.12.2017	1,990	14,601	10,584	27,175
Carrying amount				
At 31.12.2017	-	1,309	478	1,787
At 31.12.2016	167	2,353	752	3,272

5. INVESTMENT PROPERTY

	2017 S$	2016 S$
Cost		
At beginning of year	340,000	340,000
Disposal	(340,000)	-
At end of year	-	340,000
Accumulated depreciation		
At beginning of year	105,517	101,609
Charge for the year	2,931	3,908
Disposal	(108,448)	-
At end of year	-	105,517
Carrying amount		
At beginning of year	234,483	238,391
At end of year	-	234,483

5. INVESTMENT PROPERTY (CONT'D)

The following amounts are recognised in profit or loss:

	2017 S$	2016 S$
Rental income	21,000	42,000
Direct operating expenses arising from investment property that generated rental income	(5,060)	(6,072)

The investment property held by the Association as at 31 December 2017 is as follows:

			Fair value	
Location	**Description**	**Tenure**	**2017** **S$**	**2016** **S$**
116 Lavender Street, #03-04 Peck Chuan Building, Singapore 338730	Commercial property	Leasehold	-	1,250,000

The leasehold building comprises office premise that was leased to a third party.

The leasehold building was registered under the names of three members who were holding in trust for the Association.

The fair value of the investment property is stated on the existing use basis to reflect the actual market state and circumstances as of the end of the reporting year and not as of either a past or future date. The fair value is determined periodically on a systematic basis at least once yearly. The fair value was based on a valuation made by management based on reference to market evidence of transaction prices to similar properties. The fair value is regarded as level 3, the lowest level for fair value measurement, as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

6. CASH AND CASH EQUIVALENTS

	2017 S$	2016 S$
Cash at bank	1,036,433	2,202
Cash on hand	92	242
	1,036,525	2,444

Cash and cash equivalents are denominated in Singapore dollar.

7. DESIGNATED FUND – SPPA PREMISES PROJECT FUND

The designated fund refers to contribution from International Planned Parenthood Federation (IPPF) representing partial funding of the cost of acquiring the leasehold building,

SPPA Premises Project Fund is utilised on equal proportion over 87 years to compensate the depreciation charge in profit or loss in respect of the leasehold building. The amount credited to profit or loss for the year amounted to S$Nil (2016: S$1,196).

During the financial year, the leasehold building was disposed. Hence, the fund is reclassified to general fund.

8. OTHER PAYABLES

	2017 S$	2016 S$
Deposit received	-	7,000
Fee received in advance from members	-	10
Accruals	5,583	5,479
Sundry creditor	1,650	
	7,233	12,489

Other payables are denominated in Singapore dollar.

9. DONATIONS

	2017 S$	2016 S$
Individuals	7,380	2,700
Tax-deductible donation received	7,360	2,690

Qualifying donors will be entitled to a 250% (2016: 300%) tax deduction.

10. CITI-YMCA YOUTH FOR CAUSES

In 2016, included in this account was a tax-deductible donation received of S$1,000 which is entitled for a 250% tax deduction.

11. INCOME TAX

The Association is an approved charity institution under the Charities Act, Chapter 37. The Association is exempted from income tax for the financial year under the provisions of Singapore Income Tax Act, Chapter 134. Accordingly, no provision for income tax has been made to the financial statements.

12. OPERATING LEASE COMMITMENTS

As Lessor

The Association entered into commercial property lease on its leasehold building. The rental income recognised in profit or loss for the year is S$21,000 (2016: S$42,000). The lease does not include contingent rentals.

Future minimum lease receivables under non-cancellable leases as at the end of the financial year are as follows:

	2017	**2016**
	S$	**S$**
Not later than 1 year	-	17,500

13. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and interest rate risk.

The management reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Association's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Association's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Association's exposure to these financial risks or the manner in which it manages and measures the risks.

13. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Association. The Association has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Association performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Association's performance to developments affecting a particular industry.

Liquidity risk

Liquidity risk refers to the risk that the Association will encounter difficulties in meeting its short- term obligations due to shortage of funds. The Association's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Association's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Association's operations are financed mainly through equity. The management is satisfied that funds are available to finance the operations of the Association.

The table below summaries the maturity profile of the Association's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

		2017			2016	
	1 year or less	**1 to 5 years**	**Total**	**1 year or less**	**1 to 5 years**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
Financial liabilities						
Other payables	7,233	-	7,233	12,489	-	12,489

14. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, deposits and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

15. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2017 S$	2016 S$
Loans and receivables		
Deposits	643	643
Cash and cash equivalents	1,036,525	2,444
Total loan and receivables	1,037,168	3,087
Financial liabilities measured at amortised cost		
Other payables	7,233	12,489
Total financial liabilities measured at amortised cost	7,233	12,489

16. CAPITAL RISK MANAGEMENT

The Association is not subject to any externally imposed capital requirements.

17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of Singapore Planned Families Association for the year ended 31 December 2017 were authorised for issue by the management on 6 March 2018.