

RESTROOM ASSOCIATION (SINGAPORE)

Annual Report for Year Ended 31 March 2014

Restroom Association (Singapore) or RAS was set up on 8 December 1998 as a society. It was registered under the Charities Act on 9 January 2004.

Unique Entity Number (UEN) S98SS01697J

Registered Address Block 2 Balestier Road
#03-679
Singapore 320002

Management Committee The Management Committee was elected at the Annual General Meeting held on 17 September 2012

- | | |
|--------------------------|--------------------|
| 1) Ms Tan Puay Hoon | President |
| 2) Mr Ho Chee Kit | Honorary Secretary |
| 3) Mr Colin See Kim Leng | Honorary Treasurer |
| 4) Mr Jack Sim Juek Wah | Committee Member |

Banker United Overseas Bank

External Auditor Mr Wayne Soo, Fiducia LLP
Certified Public Accountants, Singapore

OBJECTIVE

The two primary objects of RAS are to improve the quality of life of the people by continuously generating a high level of public awareness for the importance of a good restroom environment and to help the low income and disadvantaged. In furtherance of the first object, the Society may gather resources and promote creative development in design, usage and methods of operation to achieve the above objects; set world-class standards of excellence in restroom environment; and network with other toilet or restroom associations or bodies worldwide for ideas, social, health and cultural exchanges; liaise with Government authorities and other non-governmental organisations to organize joint activities. In furtherance of the second object, the Society may initiate training programmes and increase the employability and skills of the low income and disadvantaged.

POLICIES

Finance & funding

RAS is financially supported partially by the government and through its Happy Toilet Programme, a chargeable service on the star-rating of public toilets.

Conflict of Interest

All Board members and employees are required to comply with RAS' conflict of interest policy as stated in the revised Constitution which requires each, when dealing in matters concerning RAS, to exercise his/her best care, skill and judgement for the sole benefit of RAS, and to make full disclosure of interests, relationships and holdings that could

potentially result in a conflict of interest. Staff and Board members are to be excluded from discussions and approvals of transactions to which they have a conflict of interest.

Membership

Membership is made up of members from individuals in Singapore. As at 31 March 2014, the society has four committee members.

Staffing

As at 31 March 2014, the staff strength is

Executive Director	1
Manager	2
Executive (Admin/HR/Accounts)	1
TOTAL	<u>4</u>

Annual Remuneration of Staff

Annual remuneration including salary, bonus and employer's CPF contribution for the top three key executives is less than \$100,000, ranging from \$36,487 to \$71,688.

Activities and Programmes

- STAR (Sustaining Toilets As Restrooms) Awards Programme: Education programme for primary & secondary school students
- Happy Toilet School Education Programme for Preschools: Education programme for preschoolers
- Happy Toilet Programme: A star-rating programme for toilets
- Eco-Assessor Programme: Individuals trained to check toilets
- LOO (Let's Observe Ourselves) Carnivals: Carnival to raise public awareness about World Toilet Day and adoption of restroom etiquette.
- LOO (Let's Observe Ourselves) Awards: An award ceremony to recognise organisations' & individuals' restroom-related contributions
- LOO (Let's Observe Ourselves) Connect: Happy Toilet locator and dirty toilet feedback portal
- Launch of the 3rd edition of A Guide to Better Public Toilet Design and Maintenance - guide to provide professionals with information about good design, maintenance and user education
- Singapore WASH (Water, Sanitation & Hygiene) Conference: First conference for building owners and professionals on WASH regulations, guidelines, planning, practices and promotion
- On-the-Job Training (OJT) on Restroom Cleaning: OJT for existing cleaners on proper restroom cleaning.
- Community events such as Clean and Green Singapore (CGS) events

Calendar of Events

April 13 – March 14	STAR Awards Programme
April 13 – March 14	Happy Toilet School Education Programme for Preschools
April 13 – March 14	Happy Toilet Programme
April 13 – March 14	Eco-Assessor Programme
April 13	Youth for the Environment Day
May 13	International Facility Management (iFaME) Expo 2013

October 13	CGS 2014 Carnival
October-November 13	LOO Carnivals
November 13	LOO Awards
November 13	Singapore WASH Conference
November 13	CGS Schools' Carnival
March 14	Singapore World Water Day

REVIEW OF FINANCIAL STATE

Restroom Association (Singapore) recorded a profit of \$7,341 with expenditure in the financial year going towards support for the society's programmes.

FUTURE PLANS AND COMMITMENTS

RAS is executing seven programmes and projects which are interwoven to achieve its vision of a gracious society embracing excellence in restroom culture. The RAS is adopting a four-pronged approach which is also its mission of building an excellent restroom culture by:

1. Encouraging owners to provide quality restrooms
 2. Lobbying the cleaning industry to meet the right standards
 3. Educating socially responsible users
 4. Recognising organisations and individuals for their contributions
- The Happy Toilet Programme supports the first two approaches but it heavily relies on the following programmes to help promote its participation rate.
 - The Eco-Assessor Programme supports the HTP and the second approach in terms of training cleaning supervisors in restroom inspections to meet quality standards.
 - The Education programmes for preschools, primary and secondary schools support the first three approaches.
 - The LOO Carnivals & Exhibitions support the third approach in public education.
 - The LOO Awards supports the last approach on recognising organisations & individuals for their contributions.
 - The LOO Connect & Websites provide a public-feedback channel and educational information for the public.

STATEMENT OF ACCOUNTS

Statement of accounts for the financial year **ended 31 March 2014 is attached.**

**RESTROOM ASSOCIATION
(SINGAPORE)**

[Unique Entity No. S98SS0167J]

[IPC No. IPC000700]

[Registered under the Registry of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- a) the financial statements as set out on pages 5 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Association at 31 March 2014, and of the results of the financial activities and changes in cash flows of the Association for the financial 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 they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

Tan Puay Hoon
Ho Chee Kit
Colin See Kim Leng
Jack Sim Juek Wah

President
Secretary
Treasurer
Member

On behalf of the Management Committee,



Tan Puay Hoon
President



Colin See Kim Leng
Treasurer

Singapore,

17 SEP 2014

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Independent auditors' report to the members of:

RESTROOM ASSOCIATION (SINGAPORE)

[Unique Entity No. S98SS0167J]
[IPC No. IPC000700]
[Registered under the Registry of Societies]

Report on the Financial Statements

We have audited the accompanying financial statements of **Restroom Association (Singapore)** (the "Association") set out on pages 5 to 20, which comprise the statement of financial position as at 31 March 2014, the statement of financial activities and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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 Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' 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 controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

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Independent auditors' report to the members of:

RESTROOM ASSOCIATION (SINGAPORE)

[Unique Entity No. S98SS0167J]
[IPC No. IPC000700]
[Registered under the Registry of Societies]

Opinion

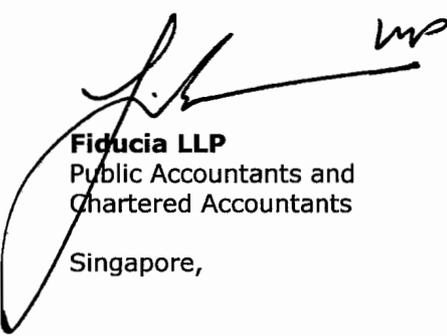
In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 March 2014 and the results and cash flows of the Association 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 regulations enacted under the Singapore Companies Act (Chapter 50) and Charities Act (Chapter 37) to be kept by the Association have been properly kept in accordance with those regulations.

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 Association.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore,

17 SEP 2014

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	4	20,855	12,608
Trade and other receivables	5	<u>6,789</u>	<u>6,895</u>
		27,644	19,503
Non-current assets			
Property, plant and equipment	6	<u>0</u>	<u>0</u>
Total assets		<u>27,644</u>	<u>19,503</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	7	<u>8,838</u>	<u>8,038</u>
Total liabilities		<u>8,838</u>	<u>8,038</u>
NET ASSETS		<u>18,806</u>	<u>11,465</u>
ACCUMULATED FUNDS		<u>18,806</u>	<u>11,465</u>

No separate statement of changes in funds has been prepared as the accumulated funds would have been the only component of this statement.

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S\$	2013 S\$
INCOME			
Income from generating funds			
- Voluntary income	8	168,623	91,332
Income from charitable activities	8	77,737	73,875
Other income		6,055	5,535
		<u>252,415</u>	<u>170,742</u>
EXPENSES			
Cost of charitable activities	9	235,707	224,307
Governance and administrative costs	9	9,367	8,849
		<u>245,074</u>	<u>233,156</u>
NET INCOME / (LOSS)		7,341	(62,414)
Accumulated funds brought forward		<u>11,465</u>	<u>73,879</u>
Accumulated funds carried forward		<u>18,806</u>	<u>11,465</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net income / (loss)		7,341	(62,414)
Changes in operating assets and liabilities:			
- Trade and other receivables		106	208
- Accruals and other payables		<u>800</u>	<u>(3,319)</u>
Net increase / (decrease) in cash and cash equivalents		8,247	(65,525)
Cash and cash equivalents at beginning of financial year		<u>12,608</u>	<u>78,133</u>
Cash and cash equivalents at end of financial year	4	<u>20,855</u>	<u>12,608</u>
Cash and cash equivalents comprise:			
Cash in bank		20,555	12,308
Cash in hand		<u>300</u>	<u>300</u>
	4	<u>20,855</u>	<u>12,608</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

1. General information

Restroom Association (Singapore) (the "Association") operates in the Republic of Singapore. The registered office and principal place of operation of the Association is 2 Balestier Road, #03-679, Singapore 320002.

The principal activities of the Association are:

- a) To improve the quality of life of the people by continuously generating a high level of public awareness for the importance of a good restroom environment.

In furtherance, the Society may gather resources and promote creative development in design, usage and methods of operation to achieve the above objects; set world-class standards of excellence in restroom environment; network with other toilet or restroom associations or bodies worldwide for ideas, social, health and cultural exchanges; and liaise with Government authorities and other non-governmental organizations to organize joint activities.

- b) To help the low income and disadvantaged.

In furtherance, the Society may initiate training programmes and increase the employability and skills of the low income and disadvantaged.

The Association is registered as a charity organisation under Charities Act, Chapter 37 on 9 January 2004 and has been accorded an Institution of a Public Character ("IPC") status for the period from 1 November 2013 to 31 October 2015.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2012

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

The following are the FRS and INT FRS that are relevant to the Association:

FRS	Effective Date	Title
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2013	Employee benefits
FRS 20	1.1.2005	Accounting for government grants and disclosure of government assistance
FRS 24	1.1.2011	Related party disclosures
FRS 32	1.1.2007	Financial instruments: Presentation
FRS 32	1.1.2009	Financial instruments: Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: Recognition and measurement
FRS 107	1.1.2013	Financial instruments: Disclosures

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Association's activities. Income is recognised as follows:

- 2.2.1 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.
- 2.2.2 Government grants are recognized at their fair value where there is reasonable assurance that the grants will be received and all related conditions will be complied with.
- 2.2.3 Income from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.
- 2.2.4 Other income is recognized when incurred.

2.3 Cost and expense recognition

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

2.3.1 Cost of charitable activities

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

2. Significant accounting policies (Cont'd)

2.3 Cost and expense recognition (Cont'd)

2.3.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Association, 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.

2.4 Property, plant and equipment

2.4.1 Measurement

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

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

2.4.2 Depreciation

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

	Useful lives
Computer	3 years
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

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

2.4.3 Subsequent expenditure

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

2.4.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.5 Impairment of non-financial assets

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

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

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

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

2.6 Financial assets

2.6.1 Classification

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

Loans and receivables

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

2.6.2 Recognition and derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership.

2.6.3 Measurement

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.4 Impairment

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

Loans and receivables

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

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions. Cash and cash equivalents are carried at cost.

2.8 Financial liabilities

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

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.9 Accruals and other payables

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

2.10 Provisions for other liabilities and charges

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

2.11 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2. Significant accounting policies (Cont'd)

2.12 Funds

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

2.13 Leases

Operating leases

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

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognized as an expense in the statement of financial activities in the financial year in which they are incurred.

2.14 Employee compensation

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

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

2.15 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Critical accounting estimates, assumptions and judgments

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

3. Critical accounting estimates, assumptions and judgments (Cont'd)Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position 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.

Estimated useful lives of property, plant and equipment

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

Impairment of property, plant and equipment

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

Allowance for impairment of receivables

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

4. Cash and cash equivalents

	2014 S\$	2013 S\$
Cash in bank	20,555	12,308
Cash on hand	300	300
	<u>20,855</u>	<u>12,608</u>

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

5. Trade and other receivables

	2014 S\$	2013 S\$
Trade receivables		
- Outside parties	7,715	6,177
- Allowance for bad debts	<u>(2,480)</u>	<u>(2,480)</u>
Net trade receivables	5,235	3,697
Other receivables		
- Deposits paid	1,554	1,554
- Prepayment	<u>0</u>	<u>1,644</u>
	<u>6,789</u>	<u>6,895</u>

The movement of allowance for bad debts follows:

	2014 S\$	2013 S\$
Beginning and end of financial year	<u>2,480</u>	<u>2,480</u>

Trade receivables are interest-free and are generally collectible upon presentation of invoice.

At the statement of financial position date, the carrying amounts of trade and other receivables approximated their fair values.

6. Property, plant and equipment

2014	Computer S\$	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost					
Beginning and end of financial year	<u>13,781</u>	<u>2,313</u>	<u>7,204</u>	<u>8,305</u>	<u>31,603</u>
Accumulated depreciation					
Beginning and end of financial year	<u>13,781</u>	<u>2,313</u>	<u>7,204</u>	<u>8,305</u>	<u>31,603</u>
Net book value at end of financial year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

2013	Computer S\$	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost					
Beginning and end of financial year	13,781	2,313	7,204	8,305	31,603
Accumulated depreciation					
Beginning and end of financial year	13,781	2,313	7,204	8,305	31,603
Net book value at end of financial year	0	0	0	0	0

7. Accruals and other payables

	2014 S\$	2013 S\$
Accruals	8,768	7,968
Other creditors	70	70
	<u>8,838</u>	<u>8,038</u>

At the statement of financial position date, the carrying amounts of accruals and other payables approximated their fair values.

8. Income

	2014 S\$	2013 S\$
Voluntary income		
Grants – National Environment Agency	165,373	90,552
Tax exempt donations	3,250	780
	<u>168,623</u>	<u>91,332</u>
Income from charitable activities		
Project and service fees	77,737	65,875
Sponsorships	0	8,000
	<u>77,737</u>	<u>73,875</u>

Tax-exempt donations are for purchasing NTUC Fair Price vouchers that are presented to restroom cleaning attendants to recognise their efforts and help them cope with rising living costs.

At the statement of financial position date, S\$1,150 (FY 2013: S\$300) has been presented and the remaining S\$2,580 (FY 2013: S\$480) will be presented in following year.

9. Expenses

	2014 S\$	2013 S\$
Cost of charitable activities		
Event expenses	0	15,833
Manpower costs		
- CPF and SDL contributions	21,830	19,500
- Medical claims	489	733
- Salaries and bonus	159,967	148,873
- Transportation and travel	463	631
Publicity expenses	27,838	16,243
Rental	15,408	14,445
Restroom auditing costs	1,600	1,600
Telecommunications	2,155	1,879
Utilities and conservancy	3,281	3,415
Website expenses	2,676	1,155
	<u>235,707</u>	<u>224,307</u>
Governance and administrative costs		
Audit fees	1,800	1,800
Bank charges	36	36
General expenses	682	1,018
Office cleaner	1,250	1,200
Office expenses	1,225	744
Printing, stationery and postage	274	264
Professional fees	3,700	3,700
Repairs and maintenance	400	87
	<u>9,367</u>	<u>8,849</u>

10. Operating lease commitments

As at the statement of financial position date, the Association has commitment for future minimum lease payments under non-cancellable operating leases as follows:

	2014 S\$	2013 S\$
Not later than one year	15,408	0
After one year within 5 years	11,556	0
	<u>26,964</u>	<u>0</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

11. Income tax expense

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

12. Related party transactions

The Association had no significant transactions with related parties during the financial year.

The Management Committee Members did not receive any remuneration during the financial year.

13. Management of conflict of interest

There is no paid staff on the Association's Management Committee.

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

14. Key management personnel compensation

Key management personnel compensation for the financial year is as follows:

	2014 S\$	2013 S\$
Number of key management in remuneration bands		
S\$50,000 to S\$100,000	1	0
S\$50,000 and below	0	1

15. Reserve policy and position

The Association's reserve position for financial year ended 31 March 2014 is as follows:

		2014 S\$'000	2013 S\$'000	Increase/ (decrease) %
A	Unrestricted Funds			
	Accumulated general funds	19	11	73
B	Restricted or Designated Funds			
	Designated Funds	0	0	0
	Restricted Funds	0	0	0
C	Endowment Funds	N/A	N/A	N/A
D	Total Funds	19	11	73
E	Total Annual Operating Expenditure	245	233	5
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.08	0.05	60

Reference:

- 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 Administration costs.

15. Reserve policy and position (Cont'd)

The Association's Reserve Policy is as follows:

The Association's objective on managing general fund is to safeguard the Association's ability to continue as a going concern, so that they can continue to provide services for the benefit of its members.

The Association monitors general fund on a prudent basis and they do not utilise any external debt from financial institutions. The capital structure of the Association consists of cash and cash equivalents and general fund.

16. Financial risk management

The Association does not have a formal risk management policies and guidelines. The Association does not hold or issue derivative financial instruments.

Foreign currency risk

The Association has minimal exposure to foreign exchange risk.

Interest rate risk

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

Liquidity risk

Liquidity risk reflects the risk that the Association will have insufficient resources to meet its financial liabilities as and when they fall due.

The Association manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Association's activities. It places its cash with creditworthy institutions.

The Association's liabilities at the reporting date are all payable within one year based on contractual undiscounted payments.

Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the Association resulting in a loss to the Association.

The carrying amounts of trade and other receivables and cash and cash equivalents represent the Association's maximum exposure to credit risk.

16. Financial risk management (Cont'd)

Trade receivables are unsecured and the analysis of their aging follows:

	2014 S\$	2013 S\$
<i>Past due but not impaired</i>		
Less than 30 days	3,382	2,851
31 to 90 days	907	346
More than 90 days	946	500
	<u>5,235</u>	<u>3,697</u>

The Management Committee is of the opinion that no provision for bad debts is required.

The credit risk on liquid funds is limited because the counter parties are banks with high credit rating assigned by international credit agencies.

Fair values

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

17. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on