

NATIONAL ARTHRITIS FOUNDATION
(Registered in the Republic of Singapore)
(UEN: S84SS0010J)

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**



Kreston David Yeung PAC
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NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

EXECUTIVE COMMITTEE

Name

Position on Board

LOW BENG TIN	CHAIRMAN
DR LAU TANG CHING	VICE-CHAIRMAN
DR KATY LEUNG YING YING	HONORARY SECRETARY
FANG LEE WEI	HONORARY TREASURER
DR WILSON CHEW	COMMITTEE MEMBER
DR NG SWEE CHENG	COMMITTEE MEMBER
DR BERNARD THONG	COMMITTEE MEMBER
DR ELIZABETH ANG	COMMITTEE MEMBER
DR ERNEST SURESH	COMMITTEE MEMBER
DR SHEILA VASOO	COMMITTEE MEMBER
DIANA KOH	COMMITTEE MEMBER
BENJAMIN GAW	COMMITTEE MEMBER
JONATHAN KHOO	COMMITTEE MEMBER
LOW AIK LIM	COMMITTEE MEMBER

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

REGISTERED OFFICE

111 North Bridge Road
#07-21 Peninsula Plaza
Singapore 179098

AUDITORS

Kreston David Yeung PAC
Public Accounting Corporation
128A Tanjong Pagar Road
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BANKER

UNITED OVERSEAS BANK


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NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT BY EXECUTIVE COMMITTEE MEMBERS

In the opinion, the accompanying financial statements set out on pages 6 to 21 are properly drawn up in accordance with the provision of the Charities Act, Cap. 37 (the "Act") and the Singapore Financial Reporting Standards, so as to give a true and fair view of the state of affairs of the National Arthritis Foundation (the "Foundation") as at 31 December 2014 and the results, changes in funds and cash flows of the Foundation for the year then ended and at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

On behalf of the Executive Committee,



LOW BENG TIN
Chairman



FANG LEE WEI
Honorary Treasurer

Singapore, 22 MAY 2015



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J)

Report on the Financial Statements

We have audited the accompanying financial statements of National Arthritis Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2014, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 21.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Cap. 37 (the "Act") and the 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 financial statements 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 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 the Executive Committee, 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.

Opinion

In our opinion, the financial statements of the Foundation are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2014 and the results, changes in funds and cash flows of the Foundation for the year ended on that date.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J)**

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Foundation 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 causes us to believe that during the reporting year:-

- a) the Foundation has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities Regulations.
- b) the donation monies received have not been used in accordance with the Foundation's objectives as required under Charities Regulations.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 22 MAY 2015

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Non-current assets			
Plant and equipment	3	<u>3,305</u>	<u>4,304</u>
Total non-current assets		<u>3,305</u>	<u>4,304</u>
Current assets			
Inventories	4	2,084	2,109
Deposits and prepayments	5	10,897	7,884
Cash at bank		<u>225,439</u>	<u>224,907</u>
Total current assets		<u>238,420</u>	<u>234,900</u>
Total assets		<u>241,725</u>	<u>239,204</u>
LIABILITIES			
Current liabilities			
Accruals		<u>9,872</u>	<u>8,521</u>
Total current liabilities		<u>9,872</u>	<u>8,521</u>
Net Assets		<u>231,853</u>	<u>230,683</u>
FUNDS			
Restricted funds			
Hope fund	6	25,785	33,148
Janssen fund	6	<u>2,881</u>	<u>10,000</u>
		<u>28,666</u>	<u>43,148</u>
Unrestricted funds			
Accumulated fund		<u>203,187</u>	<u>187,535</u>
Total funds		<u>231,853</u>	<u>230,683</u>

The notes set out on pages 11 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2014

←-----2014----->					
	Note	<u>Unrestricted</u>	<u>Restricted Funds</u>		Total S\$
		<u>Funds</u>	<u>Hope</u>	<u>Janssen</u>	
		<u>General</u>	<u>Fund</u>	<u>Fund</u>	
		S\$	S\$	S\$	
INCOME					
<i>Income from generated funds</i>					
Voluntary income					
- outright donations		40,440	-	-	40,440
- memberships		736	-	-	736
	7	41,176	-	-	41,176
Activities for generating funds					
- Charity golf (fund raising)	8	180,800	-	-	180,800
<i>Income from charitable activities</i>					
- TAiChi DVD & handbook		35	-	-	35
<i>Other income</i>					
- Charities Capability Fund (VCF)		9,600	-	-	9,600
- Wage credit scheme		2,161	-	-	2,161
- Special employment credit		2,304	-	-	2,304
		14,065	-	-	14,065
TOTAL INCOME		236,076	-	-	236,076
EXPENDITURES					
<i>Costs of generating funds</i>					
- costs of generating voluntary income					
- newsletters		3,299	-	-	3,299
- SASC		2,050	-	-	2,050
		5,349	-	-	5,349
- costs of fundraising activities		25,690	-	-	25,690
<i>Charitable activities</i>					
- cost of inventory recognised as expenses		25	-	-	25
- medical subsidy		24,888	7,363	7,119	39,370
- ARTS perspective		3,549	-	-	3,549
		28,462	7,363	7,119	42,944
<i>Governance costs</i>					
- audit fees		6,029	-	-	6,029
- consultancy fee		15,301	-	-	15,301
		21,330	-	-	21,330
<i>Other expenditure</i>	9	139,593	-	-	139,593
TOTAL EXPENDITURE		(220,424)	(7,363)	(7,119)	(234,906)
NET INCOME/(EXPENDITURE) BEFORE TAXATION		15,652	(7,363)	(7,119)	1,170
Taxation	11	-	-	-	-
NET MOVEMENT IN FUNDS		15,652	(7,363)	(7,119)	1,170
Balance at beginning of year		187,535	33,148	10,000	230,683
Balance at end of year		203,187	25,785	2,881	231,853

The notes set out on pages 11 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2014

<-----2013----->				
	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>		
	<u>General Fund</u>	<u>Hope Fund</u>	<u>Janssen Fund</u>	Total
Note	S\$	S\$	S\$	S\$
INCOME				
<i>Income from generated funds</i>				
	<i>Voluntary income</i>			
	84,954	-	10,000	94,954
	1,868	-	-	1,868
7	86,822	-	10,000	96,822
	<i>Activities for generating funds</i>			
	202,050	-	-	202,050
8	37,357	-	-	37,357
	239,407	-	-	239,407
<i>Income from charitable activities</i>				
	40	-	-	40
<i>Other income</i>				
	20	-	-	20
TOTAL INCOME				
	326,289	-	10,000	336,289
EXPENDITURES				
<i>Costs of generating funds</i>				
	<i>- costs of generating voluntary income</i>			
	1,680	-	-	1,680
	23,611	-	-	23,611
<i>Charitable activities</i>				
	6,625	14,990	-	21,615
	2,402	-	-	2,402
	9,027	14,990	-	24,017
<i>Governance costs</i>				
	4,600	-	-	4,600
<i>Other expenditure</i>				
9	159,207	-	-	159,207
TOTAL EXPENDITURE				
	(198,125)	(14,990)	-	(213,115)
NET INCOME/(EXPENDITURE) BEFORE TAXATION				
	128,164	(14,990)	10,000	123,174
Taxation				
11	-	-	-	-
NET MOVEMENT IN FUNDS				
	128,164	(14,990)	10,000	123,174
Balance at beginning of year				
	59,371	48,138	-	107,509
Balance at end of year				
	187,535	33,148	10,000	230,683

The notes set out on pages 11 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2014

	2014 S\$	2013 S\$
Balance at beginning of year	230,683	107,509
Net surplus for the year	<u>1,170</u>	<u>123,174</u>
Balance at end of year	<u>231,853</u>	<u>230,683</u>

The notes set out on pages 11 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2014

	2014	2013
	S\$	S\$
Cash flows from operating activities		
Surplus for the year	1,170	123,174
Adjustments for:-		
Plant and equipment written off	2,240	594
Depreciation of plant and equipment	1,413	1,957
	<u>4,823</u>	<u>125,725</u>
Net cash flows before working capital changes		
Decrease in inventory	25	-
(Increase)/Decrease in deposits and prepayments	(3,013)	3,909
Increase/(Decrease) in other payables	1,351	(106,445)
	<u>3,186</u>	<u>23,189</u>
Cash generated from operating activities		
Cash flows from investing activity		
Purchase of plant and equipment	(2,654)	(1,986)
	<u>(2,654)</u>	<u>(1,986)</u>
Cash used in investing activity		
	532	21,203
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	<u>224,907</u>	<u>203,704</u>
Cash and cash equivalents at end of year	<u>225,439</u>	<u>224,907</u>

The notes set out on pages 11 to 21 form an integral part of and should be read in conjunction with this set of financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

1. GENERAL

The principal activities of the Foundation are to encourage, promote and research and other activities relating to the prevention, diagnosis of causes and treatment of arthritis and rheumatism. The Foundation is a non-profit charity organization registered as a society on 27 June 1984 and registered as a charity under the Charities Act, Chapter 37 on 15 April 1985. It has been granted IPC status for the period from 1st August 2014 to 31st January 2017.

The registered office of the Foundation which is domiciled in Singapore, is located at 111 North Bridge Road, #07-21 Peninsula Plaza, Singapore 179098.

The Executive Committee of the Foundation has authorised these financial statements for issue on 22 May 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Foundation have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Foundation has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2014. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

During the year, the Foundation has enhanced the presentation of statement of financial activities. The comparatives and the notes have been re-presented to enhance the comparability of information.

b) Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The Executive Committee is of the opinion that there are no critical estimates/judgements involved that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) **Plant and Equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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 residual values, useful life and depreciation method are reviewed at end of each reporting period, and adjusted as appropriate. The effects of any revision are recognised in the profit or loss when the changes arise.

Depreciation is calculated on the straight-line method to write off the costs of the plant and equipment over their estimated useful lives as follows:-

Furniture & fitting	5 - 10 years
Office equipment	5 years
Computers	3 - 5 years
Renovation	2 years

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 arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

d) **Foreign Currency Transactions**

Functional and Presentation Currencies

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates (the “functional currency”). The financial statements of the Foundation are presented in Singapore dollar, which is the functional currency of the Foundation.

Transactions and Balances

Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rates of exchange at the end of reporting period. Exchange differences arising from such transactions are taken to profit or loss.

e) **Financial Assets**

Classification

The Foundation classifies its financial assets as loans and receivables. The classification depends on the nature of the assets and the purpose for which the assets were acquired. The Executive Committee determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Assets (Continued)

Classification (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Foundation provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables include cash at bank balances and deposits. They are presented as current assets, except for those maturing more than 12 months after the end of the reporting period which are presented as non-current assets.

Recognition and Derecognition

All financial assets are recognised on their trade-date – the date on which the Foundation commits to purchase or sell the asset.

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

Measurement

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) **Impairment of Non-Financial Assets**

The Foundation assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Foundation 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. 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 the profit or loss.

g) **Cash and Cash Equivalents**

For the purpose of presentation in statement of cash flows, cash and cash equivalents comprise cash at bank which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

h) **Financial Liabilities**

Financial liabilities include accruals. Financial liabilities are recognised when, and only when, the Foundation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs. Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the profit or loss. Net gains or losses in derivatives include exchange differences.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) **Financial Liabilities** (Continued)

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

i) **Provisions**

Provisions are recognised when the Foundation has a present legal or constructive obligation 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 a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

j) **Inventories**

Inventories are valued at the lower of historical cost and net realisable value. Historical cost is determined by applying the first-in, first-out formula. Net realisable value is the price of which inventories are sold in ordinary course of business after allowing for cost of realisation. Provision is made, where necessary for obsolete, slow moving and defective inventories.

k) **Contingencies**

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation; or

A present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation.

Contingent liabilities and assets are not recognised on the statement of financial position of the Foundation.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) **Income Recognition**

Income is recognised to the extent that it is probable the economic benefits will flow to the Foundation and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Donation and subscription fee from members are recognised when due and received. Income from charitable trading activities are recognised when conducted.

Grant income is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

m) **Employee Benefits**

Defined Contribution Plans

As required by law, the Foundation makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same year as the employment that gives rise to the contribution.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. Accruals are made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

n) **Leases**

When the Foundation is the lessee

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. Contingent rents are charged to the profit or loss when incurred.

o) **Funds Structure**

Unrestricted funds comprise of General fund, which are available for use at the discretion of the management in furtherance of the Foundation purposes.

Restricted funds which are represented by “Hope fund” and “Janssen Fund” are subjected to restrictions on their expenditures according to the term and nature of the appeal.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Key Management Personnel

Key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Executive Committee members are considered as key management personnel of the Foundation.

The Foundation does not remunerate committee members for their services rendered to the Foundation.

3. PLANT AND EQUIPMENT

	Office Equipment S\$	Furniture and Fittings S\$	Computers S\$	Renovation S\$	Total S\$
Cost					
At 01.01.2013	25,076	2,134	18,315	-	45,525
Additions	599	369	68	950	1,986
Written off	(22,538)	(900)	(11,183)	-	(34,621)
At 31.12.2013/01.01.2014	3,137	1,603	7,200	950	12,890
Additions	-	543	2,111	-	2,654
Written off	(428)	(1,234)	(7,131)	-	(8,793)
At 31.12.2014	2,709	912	2,180	950	6,751
Accumulated Depreciation					
At 01.01.2013	24,714	516	15,426	-	40,656
Charge for the year (Note 17)	169	190	1,440	158	1,957
Written off	(22,538)	(330)	(11,159)	-	(34,027)
At 31.12.2013/01.01.2014	2,345	376	5,707	158	8,586
Charge for the year (Note 17)	191	111	636	475	1,413
Written off	(310)	(380)	(5,863)	-	(6,553)
At 31.12.2014	2,226	107	480	633	3,446
Net Book Value					
At 31.12.2014	483	805	1,700	317	3,305
At 31.12.2013	792	1,227	1,493	792	4,304

4. INVENTORIES

	2014 S\$	2013 S\$
Inventories, at cost	2,084	2,109

Inventories consist of Tai-Chi for Arthritis DVD and hand books.

NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

5. DEPOSITS AND PREPAYMENTS

	2014	2013
	S\$	S\$
Deposits	4,366	4,450
Prepayments	6,531	3,434
	<u>10,897</u>	<u>7,884</u>

6. FUND ACCOUNT BALANCES

- i) The Hope fund (or NAF – Juvenile Arthritis Fund) is established in year 2011 for the funding received from CapitaLand Hope Foundation. The fund is set up to benefit children with Juvenile Arthritis condition.
- ii) The Janssen Fund is established in year 2013 for the funding received from Janssen Pte Ltd. The fund is set up for educational programme and to provide patient medical subsidy and handicapped patients' needs.

7. INCOME

	2014	2013
	S\$	S\$
Donations - tax exempt	40,340	90,954
Donations - non-tax exempt	100	4,000
Membership fee	736	1,868
	<u>41,176</u>	<u>96,822</u>

8. CHARITY GOLF

Income		
Donation- tax exempt	147,700	178,050
Donation - non-tax exempt	3,000	4,000
Grant - Singapore Totalisator Board	30,100	20,000
	<u>180,800</u>	<u>202,050</u>

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

9. OTHER EXPENDITURES

	2014	2013
	S\$	S\$
Accountancy fee	4,200	4,200
Bank charges	62	136
Courier expenses	435	1,159
Cleaning expenses	-	1,750
Commission	-	2,140
Depreciation	1,413	1,958
Plant and equipment written off	2,240	594
Fines and penalties	-	10
General expenses	-	194
Internet and telephone	1,715	2,477
Late payment fee	64	-
Office expenses	159	1,279
Parking fee	2,293	1,856
Postage and stamps	735	390
Printing and stationery	2,503	2,490
Refreshments	64	92
Rental of copier	2,542	2,542
Rental of premises	24,000	41,672
Repair and maintenance	250	397
Secure retention fees	1,197	1,467
Subscription fee	98	52
Transport expense	534	1,375
Uncapitalised plant and equipment	109	-
Water and electricity	535	3,614
Salary and related costs	94,445	87,363
	<u>139,593</u>	<u>159,207</u>

10. SALARY AND RELATED COSTS

Salary and bonus	48,000	48,000
- Key management personnel	38,456	32,060
- Other staff	86,456	80,060
CPF contribution	3,250	3,140
- Key management personnel	4,240	3,741
- Other staff	7,490	6,881
Other short term benefits	499	422
	<u>94,445</u>	<u>87,363</u>

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

11. TAXATION

The Foundation is exempted from income tax under Chapter 134, section 13(u) of the Income Tax Act subject to the compliance with the relevant provisions in the Income Tax Act.

12. OPERATING LEASE COMMITMENTS

The Foundation leases office premises and photocopying machine under non-cancellable operating lease. Rental expense for the financial year is S\$24,000 and S\$2,542 respectively (2013: S\$41,672 and S\$2,542). Future minimum rental payment under non-cancellable leases as at the end of the reporting period are as follows:-

	2014	2013
	S\$	S\$
Amount payable:-		
- Within 1 year	18,380	26,376
- Between 2 to 5 years	-	18,380
	<u>18,380</u>	<u>44,756</u>

13. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Foundation's financial risk comprising exchange risk, credit risk, interest rate risks and liquidity risk are managed and monitored by the Executive Committee.

Credit Risk

The Foundation has no significant concentration of credit risk. Cash is placed with established financial institutions.

Interest Rate Risk

The Foundation is not exposed to interest rate risk as all financial assets and liabilities bear no interest rate as at the year end.

Foreign Currency Risk

The Foundation is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

Liquidity Risk

The Executive Committee manages the liquidity prudently and aims at maintaining an adequate level of liquidity. The Foundation has sufficient funds to finance its ongoing working capital requirements.

The maturity profile of the Foundation's financial liabilities at the end of the reporting period is within 12 months.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

14. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2014	2013
	S\$	S\$
Assets		
Loans and receivables: -		
Deposits	4,366	4,450
Cash at bank	<u>225,439</u>	<u>224,907</u>
Total financial assets	<u>229,805</u>	<u>229,357</u>
Liabilities		
At amortised cost: -		
Accruals	<u>9,872</u>	<u>8,521</u>
Total financial liabilities	<u>9,872</u>	<u>8,521</u>

15. FAIR VALUES

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

16. FUNDS MANAGEMENT

The Executive Committee manages the working capital to ensure that the Foundation will be able to continue as a going concern and fulfill its objectives and services to the community. The Foundation has no share capital.

17. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2015. The Foundation does not expect that adoption of these accounting standards or interpretations will have a material impact on the Foundation financial statements.