

**SRI KRISHNA MANDIR WELFARE SOCIETY**

**REGISTRATION NO.: T02SS0007A**

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
FEBRUARY 28, 2017**


**SRI KRISHNA MANDIR WELFARE SOCIETY**  
**REGISTRATION NO.: T02SS0007A**  
**FINANCIAL STATEMENTS - FEBRUARY 28, 2017**

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**STATEMENT BY COMMITTEE MEMBERS OF  
SRI KRISHNA MANDIR WELFARE SOCIETY  
REGISTRATION NO.: T02SS0007A**

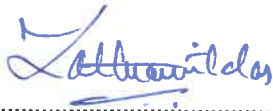
In the opinion of the committee members, the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the Society as at February 28, 2017 and of the results of the Society for the financial year ended on that date.

On behalf of the committee members



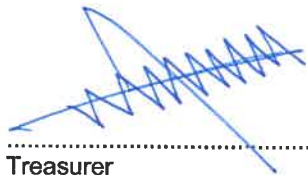
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President



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Secretary



.....

Treasurer

Singapore

15<sup>th</sup> August 2018



FMD 2008 Pte. Ltd.  
Co registration no. 200801174K  
701 Sims Drive #08-01 LHK Building Singapore 387383  
Tel : 6748 6505 Fax : 6846 7208 Email : [fmd08@theaccountants.com.sg](mailto:fmd08@theaccountants.com.sg)

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INDEPENDENT EXAMINER' REPORT TO THE GOVERNING BOARD MEMBERS OF  
**SRI KRISHNA MANDIR WELFARE SOCIETY**  
**REGISTRATION NO.: T02SS0007A**

I report on the accounts of Sri Krishna Mandir Welfare Society for the financial year ended February 28, 2017 which are set out on pages 4 to 21.

**Respective responsibilities of Governing Board Members and Independent Examiner**

The Governing Board Members consider that an audit is not required for this financial year [under Charities (Accounts and Audit) Regulations 2011] and that an independent examination is required.

As the Independent Examiner, it is my responsibility to:

- Examine the accounts;
- Follow the procedures laid down in the General Guidance issued by the Commissioner of Charities; and
- State whether any specific matters have come to my attention.

**Basis of the independent examiner's report**

My examination was carried out in accordance with the General Guidance issued by the Commissioner of Charities. An independent examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Governing Board Members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent Examiner's statement**

In the course of my examination, no matter has come to my attention:

1. Which gives me reasonable cause to believe that in, any material respect, the Governing Board Members have not met the requirements to ensure that:
  - Proper accounting records are kept; and
  - Accounts are prepared which agree with the accounting records.

# FMD

FMD 2008 Pte. Ltd.  
Co registration no. 200801174K  
701 Sims Drive #08-01 LHK Building Singapore 387383  
Tel : 6748 6505 Fax : 6846 7208 Email : [fmd08@theaccountants.com.sg](mailto:fmd08@theaccountants.com.sg)

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Independent Examiner's Report (cont'd)

**Independent Examiner's statement (cont'd)**

2. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

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**YEOW EE PHEOW (YAO YANPING)**  
**CHARTERED ACCOUNTANTS**

**SRI KRISHNA MANDIR WELFARE SOCIETY**  
(Incorporated in Singapore)

**REGISTRATION NO.: T02SS0007A**

**STATEMENT OF FINANCIAL POSITION AS AT FEBRUARY 28, 2017**

	NOTE	2017 \$	2016 \$
ACCUMULATED FUND		12,808	56,599
		<u>12,808</u>	<u>56,599</u>
Represented by:			
EQUIPMENT	5	4,697	8,068
CURRENT ASSETS			
Other receivables	6	18,992	1,876
Cash and cash equivalents	7	39,958	52,001
		<u>58,950</u>	<u>53,877</u>
LESS : CURRENT LIABILITY			
Other payables	8	50,839	5,346
		<u>50,839</u>	<u>5,346</u>
NET CURRENT ASSETS		8,111	48,531
		<u>12,808</u>	<u>56,599</u>

See the accompanying notes to the financial statements.

**SRI KRISHNA MANDIR WELFARE SOCIETY**  
(Incorporated in Singapore)

**REGISTRATION NO.: T02SS0007A**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED FEBRUARY 28, 2017**

	NOTE	2017 \$	2016 \$
Revenue	4	295,493	266,305
Cost of services	10	<u>(46,821)</u>	<u>(77,794)</u>
Gross profit		248,672	188,511
Other income	4	-	796
Distributive expenses		-	-
Administrative expenses	10	(291,463)	(177,340)
Other operating expenses	10	(1,000)	(1,050)
Finance expenses		<u>-</u>	<u>-</u>
(Loss) / profit for the financial year before taxation		(43,791)	10,917
Taxation	9	<u>-</u>	<u>-</u>
(Loss) / profit for the financial year after taxation		(43,791)	10,917
Other comprehensive income for financial year after taxation		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the financial year		<u>(43,791)</u>	<u>10,917</u>
Total comprehensive (loss) / income attributable to the Society's members		<u>(43,791)</u>	<u>10,917</u>

See the accompanying notes to the financial statements.

**SRI KRISHNA MANDIR WELFARE SOCIETY**  
(Incorporated in Singapore)

**REGISTRATION NO.: T02SS0007A**

**STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE FINANCIAL YEAR ENDED FEBRUARY 28, 2017**

	Accumulated fund \$	Total \$
Balance as at February 28, 2015	45,682	45,682
Total comprehensive income for the financial year	<u>10,917</u>	<u>10,917</u>
Balance as at February 29, 2016	56,599	56,599
Total comprehensive (loss) for the financial year	<u>(43,791)</u>	<u>(43,791)</u>
Balance as at February 28, 2017	<u><u>12,808</u></u>	<u><u>12,808</u></u>

See the accompanying notes to the financial statements.



**SRI KRISHNA MANDIR WELFARE SOCIETY**  
(Incorporated in Singapore)

**REGISTRATION NO.: T02SS0007A**

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED FEBRUARY 28, 2017**

	NOTE	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
(Loss) / profit before taxation		(43,791)	10,917
<b>Add: Item not requiring cash</b>			
Depreciation	5	3,371	2,044
<b>Operating (loss) / profit before working capital changes</b>		(40,420)	12,961
<b>Working capital changes, excluding changes relating to cash</b>			
Other receivables		(17,116)	(67)
Other payables		45,493	(5,642)
		28,377	(5,709)
<b>Net cash flows (used in) / generated from operating activities</b>		(12,043)	7,252
<b>Cash flow from investing activity</b>			
Purchase of equipment	5	-	(10,112)
<b>Net cash flow (used in) investing activity</b>		-	(10,112)
<b>Cash flow from financing activity</b>		-	-
<b>Net (decrease) in cash and cash equivalents</b>		(12,043)	(2,860)
<b>Cash and cash equivalents at beginning of the financial year</b>		52,001	54,861
<b>Cash and cash equivalents at end of the financial year</b>	7	39,958	52,001

See the accompanying notes to the financial statements.

**SRI KRISHNA MANDIR WELFARE SOCIETY**

**REGISTRATION NO.: T02SS0007A**

**NOTES TO THE FINANCIAL STATEMENTS - FEBRUARY 28, 2017**

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

**1 GENERAL INFORMATION AND PRINCIPAL ACTIVITY**

The Society is domiciled and incorporated in the Republic of Singapore with a registered office address located at 9 Lorong 29 Geylang #03-02, Singapore 388065. Its principal activity involves feeding the public with the aid of donations from members and non-members.

The principal place of business is located at 9 Lorong 29 Geylang #03-02, Singapore 388065.

The Committee Members authorized the issuance of the financial statements on 15<sup>th</sup> August 2018.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting 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 ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgment or complexity, are disclosed in Note 3 to the financial statements.

On 1 March 2016, the Society adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS and INT FRS that are relevant to the Society.

Amended FRSs issued in 2014 (effective date: 01.01.2016)

FRS 16 & FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issuance date: 23.10.2014)
FRS 16 & FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (issuance date: 23.10.2014)

Improvements to FRSs (November 2014) (issuance date: 19.11.2014)

FRS 19	Employee Benefits (effective date: 01.01.2016)
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Amended FRSs issued in 2015 (effective date: 01.01.2016)

FRS 1	Amendments to FRS 1: Disclosure Initiative (issuance date: 22.01.2015)
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## **2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.2 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Society expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when these reverse, based on the laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and these relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but intend to settle current tax liabilities and assets on a net basis or tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which these can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **2.3 Impairment of non financial assets**

The carrying amount of nonfinancial assets is reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down through the statement of profit or loss and other comprehensive income to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognized in the statement of profit or loss and other comprehensive income. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date nonfinancial assets other than goodwill with impairment loss recognized in prior periods are assessed for possible reversal of the impairment. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### **2.4 Investments in financial assets**

Financial assets are recognized in the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognized 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.

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition 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 had been recognized in the fair value reserve is recognized in statement of profit or loss and other comprehensive income.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Investments in financial assets (cont'd)

All regular way purchases and sales of financial assets are recognized or derecognized on the trade date i.e., the date that the Society commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

The Society classifies its investments in financial assets as loans and receivables.

#### Loans and receivables

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 amortized cost using the effective interest method. Gains and losses are recognized in statement of profit or loss and other comprehensive income when the loans and receivables are derecognized or impaired, and through the amortization process.

### 2.5 Equipment

#### (i) Measurement

Equipment is carried at cost less accumulated depreciation less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

The cost of equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal and restoration costs are included as part of the cost of equipment, if the obligation for dismantlement, removal and restoration is incurred as a consequence of acquiring or using the asset.

#### (ii) Depreciation

Depreciation is charged so as to write off the cost of assets over its estimated useful lives using the straight-line method on the following basis:

Office equipment	<u>No. of years</u> 3
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For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively.

The residual value and useful life of assets are reviewed and adjusted as appropriate at each statement of financial position date.

Fully depreciated asset is retained in the accounts until this is no longer in use.

#### (iii) Subsequent expenditure

Subsequent expenditure relating to equipment that has been recognized is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Society and the cost can be measured reliably. Other subsequent expenditure is recognized as an expense during the financial year in which it is incurred.

#### (iv) Disposal/derecognition

An item of equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized.

## **2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

### **2.6 Other receivables**

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less allowance for impairment. An allowance for impairment on other receivables is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The amount of the allowance is recognized in the statement of profit or loss and other comprehensive income.

### **2.7 Cash and cash equivalents**

Cash in bank is carried at cost. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### **2.8 Financial liabilities**

Initial recognition and measurement

A financial liability is recognized in the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issuance of the financial liability. Transaction costs incurred in the acquisition or issuance of financial liability classified at fair value through profit or loss is expensed immediately. The transactions are recorded at the trade date. Financial liabilities that are composed of other payables are classified as current unless there is an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Subsequent measurement

Subsequent measurement based on the classification of the financial liability in one of the following two categories under FRS 39 is as follows:

- a. Liabilities at fair value through profit or loss - as at year end date there were no financial liabilities classified under this category; and
- b. Other financial liabilities: All liabilities that have not been classified in the previous category fall into this residual category. These liabilities are carried at amortized cost using the effective interest method. Other payables are classified in this category. Items classified within current liabilities are not usually re-measured, as the obligation is usually known with a higher degree of certainty and settlement is short-term.

### **2.9 Other payables**

Other payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest method.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.10 Provisions for other liabilities and charges

Provisions are recognized when the Society has a present obligation as a result of a past event that is probable to resulting in a future outflow of economic benefits that can be measured reliably.

### 2.11 Revenue recognition

Revenue is the gross inflow of economic benefits during the financial year arising in the course of the ordinary activities when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Donations

Fees from members and non-members are recognized in the accounts when no significant uncertainties as to its collectability exist. Revenue from donations is recognized upon actual cash receipts.

### 2.12 Related party

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society, if that person:
  - (i) Has control or joint control over the Society;
  - (ii) Has significant influence over the Society; or
  - (iii) Is a member of the key management personnel of the Society.
- (b) An entity is related to the Society, if any of the following conditions applies:
  - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity.

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.13 Risk Management

- (a) Market risk - The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.
- (i) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- (ii) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- (iii) Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The term "price risk" embodies not only the potential for loss but also the potential for gain.
- (b) Credit risk - The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- (c) Liquidity risk - The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

### 2.14 Leasing

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 in the statement of income and expenditure 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.

### 2.15 Employment benefit costs

Defined contribution plan

Mandatory payments to a state-managed defined contribution retirement benefit plan (the "CPF" Scheme) are recognized as expenses as they fall due.

Employee leave entitlement

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

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Society 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.16 Foreign currency balances and transactions

#### (a) Functional currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated in the measurement currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the statement of profit or loss and other comprehensive income.

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated to Singapore dollars at the rates of exchange prevailing at the statement of financial position date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to the statement of income and expenditure. Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the dates of the initial transactions. If applicable, non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates 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.

#### (a) Critical accounting estimates and assumptions

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

##### (i) Taxation

Significant judgment is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Society recognizes liabilities for the anticipated tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amount that was initially recorded, such difference will impact the current and deferred taxation in the year in which such determination is made.

If the actual final outcome on the judgmental areas differs by 10% from management's estimates, the potential tax impact to the financial statement is not expected to be material.



### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

#### (a) Critical accounting estimates and assumptions (cont'd)

##### (ii) Determination of functional currency

In determining the functional currency of the Society, judgment is required to determine the currency that mainly influences and of the country whose competitive forces and regulations mainly determines the sales prices of the Society's services. The functional currency of the Society was determined base on the management's assessment of the economic environment in which the Society operates and its process of determining sales prices.

#### (b) Key sources of estimation uncertainty

Key assumptions concerning the future and 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.

##### (i) Estimated useful life of equipment

The Society reviews annually the estimated useful life of equipment based on factors such as business 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 to these estimates brought by the changes in the factors mentioned. A 10% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.89% (2015: Nil%) variance to the Society's results of operation for the financial year. The carrying amount of the Society's equipment is disclosed in Note 5 to the financial statements.

##### (ii) Impairment of equipment

Equipment is reviewed for impairment whenever there is any indication that the asset is 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.

##### (iii) Allowance for credit losses

The Society reviews the adequacy of allowance for credit losses every financial year end by reference to the ageing analysis of financial assets and evaluate the risks of collection according to the credit standing and collection history of individual debtor. If there are indications that the financial position of a debtor has deteriorated resulting in an adverse assessment of the risk profile, an appropriate amount of allowance will be provided. The carrying amount of the Society's financial asset is disclosed in Note 7 to the financial statements.

### 4 REVENUE

Revenue represents donation from members and non-members. The composition of the revenue is as follows:

	2017 \$	2016 \$
Donation	295,493 =====	266,305 =====

**4 REVENUE (CONT'D)**

The details of other operating income are as below:

	2017	2016
	\$	\$
Other creditor written off	--	796
	=====	=====

**5 EQUIPMENT**

	Office equipment \$	Total \$
Cost:		
As at 01.03.2015	10,238	10,238
Addition	10,112	10,112
	-----	-----
As at 28.02.2016 and 01.03.2016	20,350	20,350
Written off	(10,238)	(10,238)
	-----	-----
As at 28.02.2017	10,112	10,112
	=====	=====
Accumulated depreciation:		
As at 01.03.2015	10,238	10,238
Depreciation	2,044	2,044
Written off	(1,771)	(1,771)
	-----	-----
As at 28.02.2016 and 01.03.2016	12,282	12,282
Depreciation	3,371	3,371
Written off	(10,238)	(10,238)
	-----	-----
As at 28.02.2017	5,415	5,415
	=====	=====
Net carrying value as at 28.02.2017	4,697	4,697
	=====	=====
Net carrying value as at 29.02.2016	8,068	8,068
	=====	=====

**6 OTHER RECEIVABLES**

	2017	2016
	\$	\$
Prepayment	18,992	1,876
	=====	=====

**7 CASH AND CASH EQUIVALENTS**

	2017	2016
	\$	\$
Cash in bank	39,958	52,001
	=====	=====

The carrying amount of cash and cash equivalents approximates its fair value and it is denominated in Singapore dollars.

**8 TRADE AND OTHER PAYABLES**

	2017 \$	2016 \$
Other payables	48,723	--
Accrual	2,116	5,346
	<u>50,839</u>	<u>5,346</u>
	=====	=====

Trade and other payables are mainly comprised of outstanding amount for ongoing operating costs. Trade and other payables are unsecured, interest free, repayable on demand, have an average payment term of 30 days (2016: 30 days), it is to be settled in cash, its carrying amount approximates its fair value and it is denominated in Singapore dollars.

**9 TAXATION**

There was no tax provision during the financial year as the requirements to be exempted from taxation were satisfied by the Society.

**10 EXPENSES BY NATURE**

	Note	2017 \$	2016 \$
Marketing and purchase of food		46,821	50,985
Transportation, tents rental, preparation expenses		--	26,809
Depreciation	5	3,371	2,044
Rental expense		--	5,800
Short term employment benefits	11	280,488	164,215
Other expenses		8,604	6,331
		<u>339,284</u>	<u>256,184</u>
		=====	=====

**11 SHORT TERM EMPLOYMENT BENEFITS**

	2017 \$	2016 \$
Staffs:		
- Salaries and allowances	235,881	139,700
- CPF contribution	35,474	17,915
- Foreign worker levy	9,133	6,600
	<u>280,488</u>	<u>164,215</u>
	=====	=====

**12 COMPARATIVE FIGURES**

The financial statements for the financial year ended February 28, 2017 and February 29, 2016 are unaudited.

**13 FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND OBJECTIVES**

The main risks arising from the Society's financial instruments are market risk, credit risk and liquidity risk. The Society reviews and agrees policies for managing each of these risks and these are summarized below.

### 13 FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND OBJECTIVES (CONT'D)

#### 13.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### 13.1.1 Foreign exchange and interest rate risk

The Society's monetary asset and liability are denominated in Singapore dollars and bear no interest. This limits the Society's exposure to the fluctuation of currency exchange and interest rates.

##### 13.1.2 Equity price risk

The Society does not hold financial instruments that are actively quoted in the market. This limits the Society's exposure to equity price risk.

#### 13.2 Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2017 \$	2016 \$
<b>Financial asset</b>		
<i>Loans and receivable</i>		
- Cash and cash equivalents	39,958	52,001
	=====	=====
<b>Financial liability</b>		
<i>Amortised cost</i>		
- Other payables	50,839	5,346
	=====	=====

#### 13.3 Credit risk

The Society manages credit risk by ongoing credit evaluation of the counterparties' financial position, limiting the aggregate financial exposure to any individual counterparty and requiring counterparties to provide letters of credit or other forms of security, if considered necessary. The Society further places its cash with reputable financial institutions of high credit rating.

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect group of counterparties whose aggregate exposure is significant in relation to the Society's total credit exposure. The carrying amount of financial asset as disclosed in Note 13.2 to the financial statements, net of any allowances for credit losses, represents the Society's maximum exposure to credit risk without taking into account the value of any collateral or other security obtained.

#### 13.4 Liquidity risk

The Society finances its operations by equity and borrowings. Adequate line of credit is maintained to ensure that necessary liquidity is available when required.

In the management of liquidity risk, the Society monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Society's operations and mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash flows of non-derivative financial liability, including estimated interest payments and excluding the impact of netting agreements:

### 13 FINANCIAL INSTRUMENTS - RISK MANAGEMENT AND OBJECTIVES (CONT'D)

#### 13.4 Liquidity risk (cont'd)

	Weighted average effective interest rate %	Cash flows				
		Carrying amount \$	Contractual cash flows \$	Within 1 year \$	Within 2-5 years \$	More than 5 years \$
<b>2017</b>						
Other payables	--	50,839	50,839	50,839	--	--
<b>2016</b>						
Other payables	--	5,346	5,346	5,346	--	--

#### 13.5 Capital risk management

The Society manages its fund in accordance with its constitution to ensure that donations received from members and non-members are sufficient to finance its operational costs. Excess fund is kept in established financial institution for capital appreciation through interest accretion.

Management reviews the fund structure on an ongoing basis. As part of this review, management considers the cost and risks associated with the fund.

Based on management's recommendation, the Society balances its overall fund structure through members' and non-members' donation. The Society's overall strategy remains unchanged from 2016. The Society is not subject to externally imposed capital requirements.

### 14 NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards and IFRIC interpretations have been published that are mandatory for accounting periods beginning after March 1, 2016. At the date of the authorization of this financial statement, the Society does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

#### Amended FRSs issued in 2014(effective date: 01.01.2018)

FRS 115	Revenue from Contracts with Customers (issuance date: 19-11-2014) *
FRS 109	Financial Instruments (issuance date: 11.12.2014) *

#### Amended FRSs issued in 2014(effective date: to be determined)

FRS 110 & FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issuance date: 19.11.2014) *
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#### Amended FRSs issued in 2015(effective date: 01.01.2018 and to be determined)

FRS 115	Amendments to FRS 115: Effective Date of FRS 115 (issuance date: 11.11.2015) *
FRS 110	Amendments to effective date of amendments to FRS 110 and FRS 28 (effective date: 1.1.2018)

#### Amended FRSs issued in 2016(effective date: 01.01.2017)

FRS 7	Amendments to FRS 7: Disclosure Initiative (issuance date: 11.03.2016)
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issuance date: 11.03.2016) *

#### Amended FRSs issued in 2016(effective date: 01.01.2018)

FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers (issuance date: 08.06.2016) *
FRS 102	Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions (issuance date: 28.10.2016) *
FRS 40	Amendments to FRS 40: Transfers of Investment Property (issuance date: 22.12.2016) *
FRS 104	Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts (issuance date: 23.12.2016) *

**14 NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS (CONT'D)**

Amended FRSs issued in 2016(effective date: 01.01.2019)

FRS 116 Leases: Illustrative Examples and Amendments to Guidance on Other Standards  
(issuance date: 30.06.2016) \*

Improvements to FRSs (December 2014) (issuance date: 22.12.2016)

FRS 101 First-time Adoption of Financial Reporting Standards (effective date: 01.01.2018) \*

FRS 112 Disclosure of Interests in Other Entities (effective date: 01.01.2017) \*

FRS 28 Investments in Associates and Joint Ventures (effective date: 01.01.2018) \*

Amended FRSs issued in 2017 (issuance date: 29.12.2017)

FRS 109 Amendments to FRS 109: Prepayment Features with Negative Compensation (effective  
date: 01.01.2019) \*

FRS 28 Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures (effective  
date: 01.01.2019) \*

\* Not relevant to the Society

The director expects that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

**SRI KRISHNA MANDIR WELFARE SOCIETY**  
(Incorporated in Singapore)

**REGISTRATION NO.: T02SS0007A**

**DETAILED PROFIT OR LOSS ACCOUNT  
FOR THE FINANCIAL YEAR ENDED FEBRUARY 28, 2017**

	2017	2016
	\$	\$
DONATION	295,493	266,305
LESS: COST OF SERVICES		
Marketing and purchase of food	(46,821)	(50,985)
Transportation, tents rental, preparation expenses	-	(26,809)
	<u>(46,821)</u>	<u>(77,794)</u>
GROSS PROFIT	248,672	188,511
OTHER INCOME	-	796
	<u>248,672</u>	<u>189,307</u>
LESS: EXPENSES		
Bank charges	3,451	2,124
CPF contribution	35,474	17,915
Depreciation	3,371	2,044
Foreign worker levy	9,133	6,600
Foreign exchange losses	346	-
General expenses	308	-
Insurance	2,857	2,300
Printing and stationeries	520	58
Postage and delivery	122	122
Professional fees	1,000	1,050
Rental expense	-	5,800
Salaries and allowances	235,881	139,700
Subscription fee	-	376
Utilities	-	301
TOTAL EXPENSES	<u>292,463</u>	<u>178,390</u>
(LOSS) / PROFIT FOR THE FINANCIAL YEAR	<u>(43,791)</u>	<u>10,917</u>

The detailed profit or loss account does not form part of the unaudited financial statements.