

NEW HOPE COMMUNITY SERVICES
ROS Registration No. 0333/2003

FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED
31 DECEMBER 2008

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration No: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008**

CONTENTS

	PAGE
STATEMENT BY THE MANAGEMENT COMMITTEE	1
AUDITORS' REPORT	2
BALANCE SHEET	4
STATEMENT OF FINANCIAL ACTIVITIES	5
STATEMENT OF CHANGES IN FUNDS	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration No: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

We, being two of the undersigned management committee of New Hope Community Services, do hereby state that, in the opinion of the management committee, the balance sheet, statement of financial activities, statement of changes in funds and cash flow statement are properly drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2008 and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Management Committee



.....
Pastor Neo Ban It
President



.....
Lim Bak Chim
Honorary Treasurer

20 April 2009



INDEPENDENT AUDITORS' REPORT
TO THE MANAGEMENT COMMITTEE OF NEW HOPE COMMUNITY SERVICES

We have audited the accompanying financial statements of NEW HOPE COMMUNITY SERVICES (the Society), which comprise the balance sheet as at 31 December 2008 and the statement of income and expenditure, statement of changes in accumulated funds and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's Responsibility for the Financial Statements

Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of income and expenditure and balance sheet and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 judgment, 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management committee, as well as evaluating the overall presentation of the financial statements.

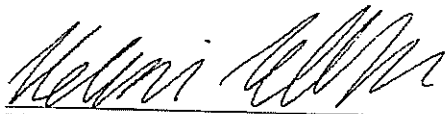
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

The Society derives a substantial proportion of its income from voluntary donations. Because of the nature of these donations, the Society cannot provide accounting controls over contributions prior to the initial entry in the accounting records. Accordingly, it was impracticable to extend our examination beyond the receipts recorded.

Qualified Opinion

Except for the matters described in the Basis for Qualified Opinion, the financial statements are properly drawn up on accordance with Singapore Financial Reporting Standards and Charities Act, Chapter 37, and so as to present fairly the state of affairs of the New Hope Community Services at 31 December 2008 and of the results, changes in equity and cash flows of the Society for the financial year ended on that date.



Helmi Talib & Co
Public Accountants and
Certified Public Accountants

Singapore
20 April 2009

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

BALANCE SHEET*As at 31 December 2008*

	NOTE	<u>2008</u> \$	<u>2007</u> \$
ASSETS			
Non-current assets			
Plant and equipment	5	73,582	8,226
Current assets			
Other receivables	6	137,529	4,497
Cash and cash equivalents	7	27,985	148,518
Total current assets		<u>165,514</u>	<u>153,015</u>
TOTAL ASSETS		<u>239,096</u>	<u>161,241</u>
LIABILITIES			
Current liabilities			
Other payables	8	33,538	14,550
TOTAL LIABILITIES		<u>33,538</u>	<u>14,550</u>
UNRESTRICTED FUND			
General fund		<u>205,558</u>	<u>146,691</u>
RESTRICTED FUND			
New Hope shelter		-	-
Transitional Shelter for Families in Crisis		-	-
Total funds	9	<u>205,558</u>	<u>146,691</u>
TOTAL LIABILITIES AND FUNDS		<u>239,096</u>	<u>161,241</u>

The accompanying notes form an integral part of the financial statements

NEW HOPE COMMUNITY SERVICES
 UEN: T04SS0026C
 ROS Registration Number: 0333/2003
 (Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2008

<u>2008</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>		<u>Total</u>
	General Fund S	New Hope Shelter S	Transitional Shelter for Families in Crisis S	S
INCOME				
<u>Voluntary income</u>				
Donation	150,544	-	-	150,544
Grant from NCSS	-	89,204	136,115	225,319
Fundraising activities	51,008	-	-	51,008
	<u>201,552</u>	<u>89,204</u>	<u>136,115</u>	<u>426,871</u>
<u>Fund generating activities</u>				
Charity golf	-	-	-	-
Walkathon 2008	74,361	-	-	74,361
	<u>74,361</u>	<u>-</u>	<u>-</u>	<u>74,361</u>
<u>Interest income</u>				
Interest income from saving account	-	-	-	-
<u>Other income</u>				
Rental income	25,245	-	-	25,245
TOTAL INCOME	<u>301,158</u>	<u>89,204</u>	<u>136,115</u>	<u>526,477</u>
Less: EXPENDITURE				
<u>Costs of generating voluntary income</u>				
Fundraising cost	46,531	-	-	46,531
<u>Costs of fund generating activities</u>				
Charity golf	-	-	-	-
Walkathon 2008	9,889	-	-	9,889
Management fees	3,262	-	-	3,262
	<u>13,151</u>	<u>-</u>	<u>-</u>	<u>13,151</u>
<u>Costs of charitable activities</u>				
New Hope Shelter	-	97,010	-	97,010
Transitional Shelter for Families in Crisis	-	-	132,509	132,509
Community services	-	-	-	-
CPF Contribution and SDL	9,767	-	-	9,767
Depreciation	22,785	-	-	22,785
Refreshment	3,796	-	-	3,796
General expenses	328	-	-	328
Repair and maintenance	3,151	-	-	3,151
Printing and stationery	3,113	-	-	3,113
Rental	30,816	-	-	30,816
Rental of equipment	1,273	-	-	1,273
Salaries	73,944	-	-	73,944
Telecommunication	2,347	-	-	2,347
Transportation	1,202	-	-	1,202
Utilities	6,263	-	-	6,263
	<u>158,785</u>	<u>97,010</u>	<u>132,509</u>	<u>388,304</u>
<u>Administrative costs</u>				
Accounting fees	4,600	-	-	4,600
Bank charges	523	-	-	523
Insurance	1,424	-	-	1,424
Subscription	470	-	-	470
Travelling	-	-	-	-
Staff costs	2,129	-	-	2,129
Upkeep of motor vehicle	9,173	-	-	9,173
	<u>18,319</u>	<u>-</u>	<u>-</u>	<u>18,319</u>
<u>Governance cost</u>				
Audit fees	1,305	-	-	1,305
TOTAL EXPENSES	<u>238,091</u>	<u>97,010</u>	<u>132,509</u>	<u>467,610</u>
SURPLUS FOR THE FINANCIAL YEAR	<u>63,067</u>	<u>(7,806)</u>	<u>3,606</u>	<u>58,867</u>

The accompanying notes form an integral part of the financial statements

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2008

2007	Unrestricted Fund			Restricted Fund		Total
	General Fund S	New Hope Shelter S	Transitional Shelter for Families in Crisis S	S		
INCOME						
<u>Voluntary income</u>						
Donation	219,779	-	-			219,779
Grant from NCSS	-	49,608	33,040			82,648
Fundraising activities	35,789	-	-			35,789
	<u>255,568</u>	<u>49,608</u>	<u>33,040</u>			<u>338,216</u>
<u>Fund generating activities</u>						
Charity golf	77,047	-	-			77,047
Walkathon	-	-	-			-
	<u>77,047</u>	<u>-</u>	<u>-</u>			<u>77,047</u>
<u>Interest income</u>						
Interest income from saving account	2	-	-			2
<u>Other income</u>						
Rental income	1,500	-	-			1,500
TOTAL INCOME	<u>334,117</u>	<u>49,608</u>	<u>33,040</u>			<u>416,765</u>
Less: EXPENDITURE						
<u>Costs of generating voluntary income</u>						
Fundraising cost	10,525	-	-			10,525
<u>Costs of fund generating activities</u>						
Charity golf	24,830	-	-			24,830
Walkathon	-	-	-			-
Management fees	28,200	-	-			28,200
	<u>53,030</u>	<u>-</u>	<u>-</u>			<u>53,030</u>
<u>Costs of charitable activities</u>						
New Hope Shelter	-	78,038	-			78,038
Transitional Shelter for Families in Crisis	-	-	64,651			64,651
Community services	-	-	-			-
CPF Contribution and SDL	7,046	-	-			7,046
Depreciation	1,430	-	-			1,430
Refreshment	1,644	-	-			1,644
General expenses	13	-	-			13
Repair and maintenance	3,691	-	-			3,691
Printing and stationery	2,385	-	-			2,385
Rental	30,586	-	-			30,586
Rental of equipment	322	-	-			322
Salaries	50,750	-	-			50,750
Telecommunication	3,618	-	-			3,618
Transportation	154	-	-			154
Utilities	5,102	-	-			5,102
	<u>106,741</u>	<u>78,038</u>	<u>64,651</u>			<u>249,430</u>
<u>Administrative costs</u>						
Accounting fees	570	-	-			570
Bank charges	142	-	-			142
Insurance	179	-	-			179
Subscription	142	-	-			142
Travelling	518	-	-			518
Staff costs	1,165	-	-			1,165
Upkeep of motor vehicle	5,324	-	-			5,324
	<u>8,040</u>	<u>-</u>	<u>-</u>			<u>8,040</u>
<u>Governance cost</u>						
Audit fees	1,100	-	-			1,100
TOTAL EXPENSES	<u>179,436</u>	<u>78,038</u>	<u>64,651</u>			<u>322,125</u>
SURPLUS FOR THE FINANCIAL YEAR	<u>154,681</u>	<u>(28,430)</u>	<u>(31,611)</u>			<u>94,640</u>

The accompanying notes form an integral part of the financial statements

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 December 2008

	<u>Funds</u>
	\$
Balance as at 31 December 2006	52,051
Surplus for the financial year	94,640
Balance as at 31 December 2007	<u>146,691</u>
Surplus for the financial year	58,867
Balance as at 31 December 2008	<u>205,558</u>

The accompanying notes form an integral part of the financial statements

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

CASH FLOW STATEMENT*For the financial year ended 31 December 2008*

	NOTE	2008 \$	2007 \$
Cash flows from operating activities			
Surplus for the financial year		58,867	94,640
Adjustments for:			
Depreciation		22,785	1,670
Operating cash flows before working capital changes		<u>81,652</u>	<u>96,130</u>
Increase in other receivables		(133,032)	(1,266)
Increase in other payables		18,988	13,598
Net cash flows from operating activities		<u>(32,392)</u>	<u>108,642</u>
Cash flows from investing activities			
Purchase of plant and equipment		(88,141)	(5,347)
Net cash flows used in investing activities		<u>(88,141)</u>	<u>(5,347)</u>
Net (decrease)/increase in cash and cash equivalent		(120,533)	103,295
Cash and cash equivalents at beginning of the financial year		148,518	45,223
Cash and cash equivalents at end of the financial year	7	<u><u>27,985</u></u>	<u><u>148,518</u></u>

The accompanying notes form an integral part of the financial statements

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

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

1 SOCIETY INFORMATION

New Hope Community Services is a registered society in Singapore under the Societies Act, Chapter 311 on 16 January 2004. The registered office of the Society is at Block 102 Yishun Avenue 5 #03-131 Singapore 760102.

The Society is an approved charity under the Charities Act, Cap. 37 since 13 October 2004 and has been accorded the status of an Institution of Public Character (IPC) for the period from 1 November 2006 to 31 October 2009. The registration number is 01825.

The principal activity of the Society is to provide assistance, counseling and training to alleviate difficulties and suffering of needy individuals and families.

The financial statements were authorized for issue in accordance with minutes of Committee members meeting on 20 April 2009.

2 MANAGEMENT COMMITTEE

For the financial year under review, the members of the management committee were as follows:

Pastor Patrick Foo	-	President
Pastor Neo Ban It	-	Vice President
Lim Bak Chim	-	Honorary Treasurer
Ho Yow Min	-	Secretary
Pastor Lawrence Koo	-	Executive Member
William Chan	-	Executive Member
Annabelle Guan	-	Executive Member

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Societies Act, (Chapter 311), Charities Act, (Chapter 37) and Singapore Financial Reporting Standards (FRS) and Recommended Accounting Practice 6.

The financial statements, are expressed in Singapore dollars (S\$ or SGD), which is the Society's functional currency, are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. All though these estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

There were no critical judgements made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Changes in accounting policies

The following INT FRSs are effective for annual period beginning 1 January 2008:

- INT FRS 111 FRS 102 – Group and Treasury Share Transactions
- INT FRS 102 Service Concession Arrangements
- INT FRS 114 FRS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction

The adoption of the above interpretations does not have any impact on the financial statements.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Future changes in accounting policies

The Society has not adopted the following FRS and INT FRS that have been issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective date (Annual periods beginning on or after)</u>
INT FRS 113	: Customer Loyalty Programmes	1 July 2008
FRS 1	: - Presentation of Financial Statements – Revised presentation	1 January 2009
	- Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 23	: Borrowing Costs	1 January 2009
FRS 32	: Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
FRS 102	: Share-based payment – Vesting conditions and cancellations	1 January 2009
FRS 108	: Operating Segments	1 January 2009

The Management Committee expects that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial recognition.

3.4 Functional currency

The Management Committee has determined the currency of the primary economic environment in which the Society operates i.e. functional currency, to be SGD. Donation received, fees and major costs of providing services including major operating expenses are primarily influenced by fluctuation in SGD.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Plant and equipment

Plant and equipment stated at cost less accumulated depreciation and any impairment. The cost of plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Subsequent expenditure relating to 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 Society and the cost of the item can be measured reliably. All other repair and maintenance expenses is recognised in the statement of financial activities when incurred.

Depreciation is calculated on a straight-line method over their estimated useful lives as follows:

Renovation	3 years
Furniture and fittings	5 years
Computer	3 years
Motor vehicles	3 years

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

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

3.6 Impairment of non-financial assets

The carrying amounts of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the statement of financial activities whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment of non-financial assets (continued)

An impairment loss is only revised to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. All reversals of impairment are recognised in the statement of financial activities.

3.7 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus transaction costs.

All regular purchases and sales of financial assets are recognised or derecognised 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.

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

The Society classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- other receivables

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Cash carried in the balance sheet is classified and accounted for as loans and receivables under FRS 39.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of financial assets

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

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial activities.

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

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

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

3.10 Derecognition of financial assets

A loan and receivables is derecognised where the contractual rights to receive cash flows from the asset have 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 has been recognized directly in equity is recognized in the statement of financial activities.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Financial liabilities

Financial liabilities include other payables and payables to related parties and interest-bearing loans and borrowings. Financial liabilities are recognised on the balance sheet when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortization process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

3.12 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

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

3.13 Income recognition

- (a) Donation accounted for when received.

Interest income is recognised on a time proportion basis using the effective interest method.

- (b) Rental income

Rental income accounted for on a straight line basis over the terms on ongoing leases. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight line basis.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee benefits

(a) Defined contribution plan

As required by law, the Company makes contributions to the state pension schemes, the Central Provident Fund (CPF). CPF contributions are recognized as compensation expenses in the same period as the employment that gives rise to the contribution.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrued to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees to the balance sheet date.

3.15 Operating leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the lease term, are classified as operating leases.

Operating lease payments are charged 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 recognised as an expense in the period in which termination takes place.

3.16 Grants

A grant is recognised at fair value when there is reasonable assurance that the conditions attracting to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income to match them with related costs that they are intended to compensate. Grants related to assets including non-monetary grants at fair value, are presented in the balance sheet by setting up the grant as a separate fund as appropriate.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

4 RELATED PARTY TRANSACTION

A related party includes the trustees/office bearers and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the executive director and the direct reporting senior officers.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Society for which they are responsible, or from institutions connected with the Society except as below:

	<u>2008</u>	<u>2007</u>
	\$	\$
Salaries, honorariums and other employee benefits	50,400	50,750

The remuneration bands of key management are as follows:

	<u>2008</u>	<u>2007</u>
Below \$70,000	1	1

Key management personnel comprise the executive director.

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

5 PLANT AND EQUIPMENT

	<u>Renovation</u> \$	<u>Furniture & fittings</u> \$	<u>Computer</u> \$	<u>Motor vehicles</u> \$	<u>Total</u> \$
Cost					
As at 01.01.2007	-	5,868	2,529	-	8,397
Additions	2,010	1,575	1,762	-	5,347
	-----	-----	-----	-----	-----
As at 31.12.2007	2,010	7,443	4,291	-	13,744
Additions	2,720	-	-	85,421	88,141
	-----	-----	-----	-----	-----
As at 31.12.2008	4,730	7,443	4,291	85,421	101,885
	-----	-----	-----	-----	-----
Accumulated depreciation					
As at 01.01.2007	-	1,530	2,318	-	3,848
Charge for the financial year	56	1,101	513	-	1,670
	-----	-----	-----	-----	-----
As at 31.12.2007	56	2,631	2,831	-	5,518
Charge for the financial year	1,333	1,489	587	19,376	22,785
	-----	-----	-----	-----	-----
As at 31.12.2008	1,389	4,120	3,418	19,376	28,303
	-----	-----	-----	-----	-----
Carrying amount					
As at 31.12.2007	1,954	4,812	1,460	-	8,226
	=====	=====	=====	=====	=====
As at 31.12.2008	3,341	3,323	873	66,045	73,582
	=====	=====	=====	=====	=====

6 OTHER RECEIVABLES

	<u>2008</u> \$	<u>2007</u> \$
Deposits	7,858	3,986
Prepayments	2,452	511
Others	234	-
Grant Receivables	126,985	-
	-----	-----
	137,529	4,497
	=====	=====

NEW HOPE COMMUNITY SERVICES

UEN: T04SS0026C

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

6 OTHER RECEIVABLES (CONTINUED)

	<u>2008</u>	<u>2007</u>
	\$	\$
Other receivables (excluding prepayments)	135,077	3,986
Add: Cash and cash equivalents (Note 7)	27,985	148,518
	-----	-----
Total loans and receivables	<u>163,062</u>	<u>152,504</u>

7 CASH AND CASH EQUIVALENTS

	<u>2008</u>	<u>2007</u>
	\$	\$
Cash in hand	500	70
Cash at bank	27,485	148,448
	-----	-----
	<u>27,985</u>	<u>148,518</u>

Cash at bank earns interest of approximately 0.001% (2007: 0.001%) per annum.

For the purpose of cash flow statement, cash is comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

8 OTHER PAYABLES

	<u>2008</u>	<u>2007</u>
	\$	\$
Accrued operating expenses	33,538	14,550
	-----	-----
Total financial liabilities carried at amortised cost	<u>33,538</u>	<u>14,550</u>

Other payables are denominated in Singapore Dollar.

NEW HOPE COMMUNITY SERVICES
 ROS Registration Number: 0333/2003
 (Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2008

9 FUND ACCOUNTS BALANCES

	Unrestricted Fund		Restricted Fund		Total
	General Fund \$	New Hope Shelter \$	Shelter for Families in Crisis \$	Transitional \$	
Balance as at 1 January 2007	52,051	-	-	-	52,051
Net surplus/(deficit) for the financial year	154,681	(28,430)	(31,611)		94,640
Transfer to/(from funds)	(60,041)	28,430	31,611		-
Balance as at 31 December 2007	146,691	-	-	-	146,691
Net surplus/(deficit) for the financial year	63,067	(7,806)	3,606		58,867
Transfer to/(from funds)	(4,200)	7,806	(3,606)		-
Balance as at 31 December 2008	205,558	-	-	-	205,558

Shelter for Men

The Shelter Home for Men has been in operation since 2003. On 1 April 2004, it was formally set up as an extension arm of New Hope Community Services to reach out to the less fortunate, particularly the homeless and men in crisis. It also reaches out to destitute ex-offenders and recovered drug abusers who have no place to turn to upon their release from Prisons / Drug Rehabilitation Centres (DRCs).

NEW HOPE COMMUNITY SERVICES

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

9 FUND ACCOUNTS BALANCES (CONTINUED)

Transitional Shelter for Families in Crisis

This is a pilot project in collaboration with MCYS, NCSS and HDB and has been approved in December 2006. This project aims to provide temporary accommodation for families in crisis, in particular those who have been evicted by HDB for various reasons. These families will be housed in the 13 approved HDB units allocated to NCSS in this pilot project. As part of the agreed service model, New Hope Community Services would need to provide counseling services as well as basic life-skills programmes depending on the needs of the families.

10 INCOME TAX

The Society is a registered Charity and its income is exempted from income tax.

11 TAX-EXEMPT RECEIPTS

During the year, the Society issued tax-exempt receipts for donations collected amounting to \$245,329 (2007: \$223,927).

12 OPERATING LEASE COMMITMENTS

Total expenses on the office premises and shelter centres of the Society was \$89,893 (2007: \$52,026).

Future minimum lease payments payable under non-cancellable operating leases as of 31 December are as follows:

	<u>2008</u>	<u>2007</u>
	\$	\$
Within one year	28,800	28,800
Within 2 to 5 years	7,200	36,000
	-----	-----
	36,000	64,800
	=====	=====

NEW HOPE COMMUNITY SERVICES

ROS Registration Number: 0333/2003

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2008

13 FINANCIAL INSTRUMENTS

(a) *Financial risk management objectives and policies*

The main risks arising from the Society's financial instruments are credit risk and liquidity risks. The Society has no foreign currency risk, interest rate risk and market price risk. The Society does not have specific risk management policies or guidelines. Generally, the Society adopts conservative strategies on the risk management as the management committee believes that the exposure associated with these risks is minimal.

Credit risk

The carrying amount of other receivables and cash and bank balances recorded in the financial statements represents the Society's maximum exposure to credit risk. The Society has no significant concentrations of credit risk.

Liquidity risk

In the management of liquidity risk, the management monitors and maintains a level of cash and bank balance deemed adequate by the management to meet its operating expense at all time.

The liquidity risk of the Society is minimal.

At the balance sheet date, the Society has non-derivative financial liabilities that are other payables amounting to \$33,538 (2007: \$14,550) which will mature within 1 year or less.

(b) *Fair values of financial assets and financial liabilities*

Fair values

The fair value of financial assets and financial liabilities reported in the balance sheet approximates the carrying amount of those assets and liabilities, as these are short term in nature.

During the financial year, no amount (2007: NIL) has been recognised in the statement of financial activities on relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.