

**BRIGHTON CONNECTION**

UNIQUE ENTITY NUMBER: T05SS0234C

**REPORT & FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2017

**LO HOCK LING & CO**

*Chartered Accountants Singapore*

盧鶴齡會計公司



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# **BRIGHTON CONNECTION**

(Registered under the Societies Act, Chapter 311)

UNIQUE ENTITY NUMBER: T05SS0234C

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# **BRIGHTON CONNECTION**

## **CORPORATE INFORMATION - 31 MAY 2017**

### **1. INSTRUMENT SETTING UP THE SOCIETY**

Constitution of Brighton Connection

### **2. UNIQUE ENTITY NUMBER OF THE SOCIETY**

T05SS0234C

### **3. REGISTERED ADDRESS**

1 Ubi Crescent, #03-03 Number One Building, Singapore 408563

### **4. MANAGEMENT COMMITTEE**

<u>Name</u>	<u>Designation</u>
Wang Tiak Kweng	Chairman
Tan Mui Hoon	Secretary
Ng Chen Kok	Treasurer
Seng Hon Peng	Member
Caroline Toh Li Ling	Member
Agnes Ng Siew Khim	Member
Yeo Pei Qin	Member
Chow Shuang Keat	Member
Raymond Cheung Wai Man	Member
Lee Jia Yan	Member

### **5. PRINCIPAL BANKERS**

DBS Bank Limited

### **6. AUDITORS**

Lo Hock Ling & Co.  
Chartered Accountants Singapore

## **BRIGHTON CONNECTION**

(Registered under the Societies Act, Chapter 311)

### **STATEMENT BY THE MANAGEMENT COMMITTEE**

In our opinion, the financial statements set out on pages 6 to 18 are properly drawn up in accordance with the provisions of Societies Act, Cap. 311, the Charities Act, Cap. 37 and Financial Reporting Standards so as to give a true and fair view of the financial position of Brighton Connection (the "Society") as at 31 May 2017 and of the financial performance, changes in funds and cash flows of the Society for the year ended 31 May 2017.

The Management Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Management Committee



Wang Tiak Kweng  
President



Ng Chen Kok  
Treasurer

Singapore, 15 August 2017

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Brighton Connection (the "Society") set out on pages 6 to 18, which comprise the statement of financial position (balance sheet) as at 31 May 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 (the "Societies Act"), the Charities Act, Cap. 37 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 May 2017 and of the financial performance, changes in funds and cash flows of the Society for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the *Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Statement by the Management Committee set out on page 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Management Committee for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Society's financial reporting process.

**Continued**

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act and the Charities Act to be kept by the Society have been properly kept in accordance with those regulations.

During the financial year, the Society did not conduct any fund-raising appeal as defined in regulation 6 of the Societies Regulations issued under the Societies Act.

**Report on Other Legal and Regulatory Requirements (continued)**

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (i) the use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Society has not complied with the requirements of regulation 15 (Fundraising expenses) of the Charities (Institutions of a Public Character) Regulations.



LO HOCK LING & CO.  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 15 August 2017

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## Statement of Financial Position as at 31 May 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	3	<u>3,255</u>	<u>13,941</u>
		<u>3,255</u>	<u>13,941</u>
<u>Current Assets</u>			
Receivables	4	8,651	8,622
Bank balance		<u>72,647</u>	<u>52,382</u>
		<u>81,298</u>	<u>61,004</u>
Total Assets		<u>84,553</u>	<u>74,945</u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
Accumulated funds		<u>65,181</u>	<u>54,101</u>
Total Funds		<u>65,181</u>	<u>54,101</u>
<u>Current Liabilities</u>			
Payables	5	<u>19,372</u>	<u>20,844</u>
Total Liabilities		<u>19,372</u>	<u>20,844</u>
Total Funds and Liabilities		<u>84,553</u>	<u>74,945</u>

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



# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## Statement of Comprehensive Income for the year ended 31 May 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
Income	6	219,615	151,003
Less: Expenditure			
Depreciation of property, plant and equipment	3	11,685	18,259
Employee benefits expense	7	92,054	60,422
Other expenses	8	104,796	81,572
		<u>208,535</u>	<u>160,253</u>
Surplus/(deficit) for the year		11,080	( 9,250 )
<u>Other Comprehensive Income</u>			
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>11,080</u>	<u>( 9,250 )</u>

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

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## Statement of Changes in Funds for the year ended 31 May 2017

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	Accumulated <u>funds</u>
	\$
Balance as at 1 June 2015	63,351
Total comprehensive loss for the year	( <u>9,250</u> )
Balance as at 31 May 2016	54,101
Total comprehensive income for the year	<u>11,080</u>
Balance as at 31 May 2017	<u>65,181</u>

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

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## Statement of Cash Flows for the year ended 31 May 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Surplus/(deficit) for the year		11,080	( 9,250 )
Adjustment for:			
Depreciation on property, plant and equipment	3	<u>11,685</u>	<u>18,259</u>
Operating surplus before working capital changes		22,765	9,009
Increase in receivables		( 29 )	( 6,233 )
(Decrease)/increase in payables		( 1,472 )	10,670
Changes in working capital		( 1,501 )	<u>4,437</u>
Net cash from operating activities		21,264	13,446
<u>CASH FLOWS FROM INVESTING ACTIVITY:</u>			
Purchase of property, plant and equipment	3	( 999 )	( 999 )
Net cash used in investing activity		( 999 )	( 999 )
Net increase in cash and cash equivalents		20,265	12,447
Cash and cash equivalents at beginning of the year		<u>52,382</u>	<u>39,935</u>
Cash and cash equivalents at end of the year	9	<u>72,647</u>	<u>52,382</u>

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

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

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## NOTES TO THE FINANCIAL STATEMENTS - 31 May 2017

The following notes form an integral part of the financial statements.

### 1. GENERAL INFORMATION

- (a) Brighton Connection (the "Society") is registered in the Republic of Singapore under the Societies Act, Cap. 311. It is also a charity registered under the Charities Act, Cap. 37 on 2 October 2014 with approved Institution of a Public Character ("IPC") status. The IPC status is for a 1-year period from 5 May 2017 to 4 May 2018.
- (b) The registered office of the Society is located at 1 Ubi Crescent, #03-03 Number One Building, Singapore 408563.
- (c) The principal activities of the Society are to provide community assistance to all kinds of people groups in the heartlands, particularly, the poor and underprivileged, and to operate a student care centre to promote and develop intellectual, character and social development in youths and children, including but not limited to providing educational programmes, as well as mentoring, care and counseling programmes.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The Society presents its financial statements in Singapore dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (FRS).

During the financial year, the Society adopted all the applicable new/revised FRSs which are effective on or before 1 March 2016. The adoption of these new/revised FRSs did not result in substantial changes to the Society's accounting policies.

#### (b) Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Society's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### (A) *Key sources of estimation uncertainty*

The 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 are discussed below.

##### *Depreciation on Property, Plant and Equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2(d). Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amounts of property, plant and equipment and the depreciation charges for the period are disclosed in note 3 to the financial statements.

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Significant Accounting Estimates and Judgments (continued)

#### (B) *Critical judgments made in applying accounting policies*

In the process of applying the Society's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

#### *Impairment of Non-Financial Assets*

The carrying amounts of the Society's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires critical judgment on the part of the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### (c) FRSs issued but not yet effective

The Society has not applied any new FRS that has been issued but is not yet effective. The management plan to adopt these FRSs in the financial year commencing on or after their respective effective dates.

Except for the FRSs mentioned below which are relevant to the Society's financial statements, the management does not expect the adoption of the other new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

The management are currently assessing the impact of the following new FRSs that are relevant to the financial statements of the Society in the period of initial application:

<u>New FRSs relevant to the Society's financial statements:</u>	<u>Effective for annual periods beginning on or after</u>
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019

#### FRS 109 Financial Instruments

FRS 109, which replaces FRS 39 *Financial Instruments: Recognition and Measurement* when it becomes effective, introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and general hedge accounting.

#### FRS 116 Leases

FRS 116, which replaces FRS 17 *Leases* and the related Interpretations when it becomes effective, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Lessor accounting requirements under FRS 116 are substantially the same as the current FRS 17. A lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The estimated useful lives are as follows:

Furniture and fittings	3 years
Office equipment	3 years
Renovations	3 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end.

An item of property, 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 assets is included in the statement of comprehensive income in the year the asset is derecognised.

### (e) Other Receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Receivables with a short duration are not discounted.

When there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flow discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in the profit or loss.

### (f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank which is subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Payables

Financial liabilities are recognised when the Society becomes a party to the contractual provisions of the financial instrument. The liabilities are derecognised when the contractual obligation is discharged or cancelled or expires.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables with a short duration are not discounted.

### (h) Revenue Recognition

(i) Student care fees are recognised as income in the month they fall due.

(ii) Donations are recognised as income upon receipt.

### (i) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the conditions attached to the grants will be complied with. Grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Society recognises as expenses the related costs for which the grants are intended to compensate.

### (j) Employee Benefits

#### Defined Contribution Plans

The Society makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

### (k) Related Parties

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 or of a parent 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.

(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.

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Related Parties (continued)

(B) An entity is related to the Society if any of the following conditions applies:  
(continued)

(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).

(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 (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Society or to the parent of the Society.

### (l) Impairment of Non-Financial Assets

The carrying amounts of the Society's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

### (m) Leases

#### *Operating Leases*

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the Society is the lessee, operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

### (n) Income Tax

As a registered charity under the Charities Act, Cap. 37, the Society is exempt from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.



## BRIGHTON CONNECTION

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### 3. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Renovations</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost</u>				
At 1 June 2015	1,846	4,726	43,045	49,617
Additions	-	999	-	999
At 31 May 2016	1,846	5,725	43,045	50,616
Additions	-	999	-	999
At 31 May 2017	<u>1,846</u>	<u>6,724</u>	<u>43,045</u>	<u>51,615</u>
<u>Accumulated depreciation</u>				
At 1 June 2015	680	1,440	16,296	18,416
Charged for the year	616	1,742	15,901	18,259
At 31 May 2016	1,296	3,182	32,197	36,675
Charged for the year	550	1,921	9,214	11,685
At 31 May 2017	<u>1,846</u>	<u>5,103</u>	<u>41,411</u>	<u>48,360</u>
<u>Carrying amount</u>				
At 31 May 2017	<u>-</u>	<u>1,621</u>	<u>1,634</u>	<u>3,255</u>
At 31 May 2016	<u>550</u>	<u>2,543</u>	<u>10,848</u>	<u>13,941</u>

### 4. RECEIVABLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Student fees receivable	914	3,727
Deposits	4,388	4,598
Prepayments	-	297
Non-trade receivables	<u>3,349</u>	<u>-</u>
	<u>8,651</u>	<u>8,622</u>

Student fees receivable and non-trade receivables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

### 5. PAYABLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Accruals	11,509	12,299
Refundable student deposits	7,805	7,800
Student fees received in advance	<u>58</u>	<u>745</u>
	<u>19,372</u>	<u>20,844</u>

Payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 6. INCOME

	<u>2017</u>	<u>2016</u>
	\$	\$
Student care fees income, net	74,982	70,158
Student care fee assistance grants	59,117	60,158
* Donations received	80,216	18,737
Government grants	2,612	-
Other income	2,688	1,950
	<u>219,615</u>	<u>151,003</u>

\* No donation which qualify for tax deduction was received during the year.

## 7. EMPLOYEE BENEFITS EXPENSE

	<u>2017</u>	<u>2016</u>
	\$	\$
Salaries and related costs	78,566	51,105
Employer's contributions to Central Provident Fund	13,488	9,317
Total employee benefits expense	<u>92,054</u>	<u>60,422</u>

## 8. OTHER EXPENSES

Included in other expenses are the following items:

	<u>2017</u>	<u>2016</u>
	\$	\$
Bad debts written off	2,878	1,490
Meal expenses	22,043	18,690
Operating lease expense	43,656	43,656
Programme expenses	12,577	80

## 9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprises bank balance as shown in the statement of financial position.

## 10. OPERATING LEASE COMMITMENTS

The Society leases its operating premises from a non-related party under non-cancellable operating lease agreement.

As at the balance sheet date, the Society has the following commitments under non-cancellable operating lease where the Society is the lessee:

	<u>2017</u>	<u>2016</u>
	\$	\$
Lease payment due		
within 1 year	18,190	43,656
after 1 year but not later than 5 years	-	18,190
	<u>18,190</u>	<u>61,846</u>

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

# BRIGHTON CONNECTION

(Registered under the Societies Act, Chapter 311)

## 11. RELATED PARTY DISCLOSURES

- (a) Significant transactions and balances between the Society and its related party, not otherwise disclosed in the financial statements, are as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>With an entity which provides key management personnel services to the Society</u>		
Non-trade receivables	3,349	-
Donations received	74,523	8,237

Related party transactions were based on terms agreed between the parties.

- (b) The Society is governed by the Management Committee which is the final authority and has overall responsibility for policy making and determination of all activities. Members of the Management Committee are volunteers and do not receive monetary remuneration from the Society for their contribution, except for reimbursement of out-of-pocket expenses.

The Society has in place a conflict of interest policy in its code of conduct. All members of the Management Committee and key management personnel are required to declare their interests yearly.

None of the key management personnel receive remuneration from the Society.

During the year, the Society employed 3 (2016: 2) staff, none of whom received annual remuneration exceeding \$100,000.

## 12. FINANCIAL RISK MANAGEMENT

The Society is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk and liquidity risk. The management reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to settle their financial and contractual obligations to the Society as and when they fall due.

The Society's main financial assets consist of receivables and cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

There are no financial assets that are past due or impaired as at the balance sheet date.

(ii) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds.

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## 12. FINANCIAL RISK MANAGEMENT (continued)

### (ii) Liquidity risk (continued)

The Society manages its liquidity risk by maintaining sufficient cash and cash equivalents to meet normal operating commitments.

All financial liabilities of the Society are repayable on demand or mature within one year, as disclosed in note 5 to the financial statements.

## 13. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

### Financial Instruments by Category

The aggregate carrying amounts of financial instruments classified as loans and receivables and financial liabilities at amortised cost are as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Loans and receivables	81,298	60,707
Financial liabilities at amortised cost	19,314	20,099

## 14. RESERVES MANAGEMENT

The reserves management objective of the Society is to safeguard the Society's ability to continue as a going concern and to maintain an optimal reserve in order to support its principal activities.

The Society is not subject to externally imposed reserves requirements.

There were no changes to the Society's approach to reserves management during the year.

## 15. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Society for the year ended 31 May 2017 were authorised for issue in accordance with a resolution of the Committee dated 15 August 2017.

# BRIGHTON CONNECTION

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## Detailed Statement of Income and Expenditure for the year ended 31 May 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Income</u>		
Student care fees income	74,982	86,713
Less: Fees waived/discounts	-	( 16,555 )
Net student care fees income	74,982	70,158
Student care fee assistance grants	59,117	60,158
Donations received	80,216	18,737
Government grants	2,612	-
Other income	2,688	1,950
	<u>219,615</u>	<u>151,003</u>
<u>Less: Expenditure</u>		
Accounting fee	3,424	-
Audit fee	4,330	3,154
Bad debts written off	2,878	1,490
Bank charges	145	110
Central provident fund contributions	13,488	9,317
Depreciation on property, plant and equipment	11,685	18,259
General expenses	-	465
Insurance	90	105
Meal expenses	22,043	18,690
Printing and stationery	2,054	1,727
Programme expenses	12,577	80
Payroll services	1,584	-
Rental of premise	43,656	43,656
Repairs and maintenance	4,525	4,258
Salaries and allowance	78,566	51,105
Skills development levy	188	132
Utilities	7,302	7,705
	<u>208,535</u>	<u>160,253</u>
Surplus/(deficit) for the year	<u>11,080</u>	<u>( 9,250 )</u>

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.