
ACTION FOR AIDS (SINGAPORE)

**FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2015**

ACTION FOR AIDS (SINGAPORE)

Registered in the Republic of Singapore

(Unique Entity Number: S88SS0126A)

EXECUTIVE COMMITTEE

President

Professor Roy Chan

Assistant Honorary Secretary

Ms Dawn Mok

Vice President

Mr Thomas Ng Hoe Lun

Committee Members

Associate Professor David Lye

Professor Mr Paul Anantharajah Tambyah

Associate Professor Lee Cheng Chuan

Honorary Treasurer

Mr Terence Ng

Mr Saxone Woon

Ms Cheryl Yeo

Honorary Secretary

Mr Benedict Thambiah

AUDITORS

Geetha A & Associates

Public Accountants and Chartered Accountants of Singapore

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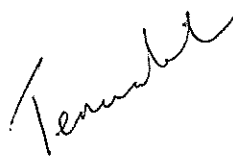
Statement By The Executive Committee

We, Professor Roy Chan and Mr Terence Ng, being the President and the Honorary Treasurer respectively, do hereby state that in our opinion, the accompanying statement of financial position and the statement of comprehensive income, the statement of changes in funds and statement of cash flows together with the notes thereto, are drawn up according to the best of our knowledge and belief so as to give a true and fair view of the state of affairs of Action for AIDS (Singapore) (the "Society") as at 31 December 2015 and of the results, changes in funds and cash flows of the Society for the Financial year ended 31 December 2015 and are in agreement with the accounting records of the Society.

On Behalf Of The Executive Committee



Professor Roy Chan
President



Mr Terence Ng
Honorary Treasurer

Singapore

Date: 4 October 2016

Independent Auditor's Report to the Members of Action for Aids (Singapore)

We have audited the accompanying financial statements of Action for AIDS (Singapore) (the "Society") which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Societies Act, the Charities Act and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Society as at 31 December 2015 and the financial performance, changes in funds and cash flows of the Society for the year ended 31 December 2015.

Independent Auditor's Report to the Members of Action for Aids (Singapore) (Continued)

Emphasis of Matter

We draw attention to Note 17 of the financial statements which describe the nature and circumstances related to the embezzlement of the Society's Funds. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations; and
- (b) the fund-raising appeals held during the reporting year have been carried out in accordance with regulation 6 of the Charities (Fund – raising appeals) Regulation 2007 issued under the Charities Act, Cap 37 and proper accounts and other records have been kept for the fund raising- appeals.

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

- (a) the use of the donation monies was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations, and
- (b) the Society has not complied with the requirements of Section 15(1) of the Charities Act, Cap 37 (Institution of Public Character) Regulations 2007 which states the total fund raising expenses of the Society should not exceed 30% of the total gross receipts from fund-raising for the reporting year.



Geetha A & Associates
Public Accountants and
Chartered Accountants
Singapore

4 October 2016

ACTION FOR AIDS (SINGAPORE)
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Statement of Financial Position
As At 31 December 2015

	NOTES	2015 S\$	2014 S\$
Assets			
Non Current Assets			
Plant and Equipment	6	63,644	78,823
Financial Assets at Fair Value through Profit or Loss	7	-	321,679
		63,644	400,502
Current Assets			
Inventories	8	-	290,475
Financial Assets at Fair Value through Profit or Loss	7	344,231	259,249
Other Receivables	9	310,770	309,387
Cash and Cash Equivalents	10	3,360,495	3,232,931
		4,015,496	4,092,042
Total Assets		4,079,140	4,492,544
Funds And Liabilities			
Unrestricted Fund			
Accumulated Funds		2,403,181	2,417,087
		2,403,181	2,417,087
Restricted Fund			
Endowment Fund	7	1,586,636	1,535,735
		1,586,636	1,535,735
Trust Funds	11	3,463	14,063
Net Assets of Trust Funds		(3,463)	(14,063)
		-	-
Current Liabilities			
Other Payables And Accrued Expenses	12	89,323	539,722
		89,323	539,722
Total Equity And Liabilities		4,079,140	4,492,544

The accounting policies and explanatory notes form an integral part of the financial statements.

ACTION FOR AIDS (SINGAPORE)*Registered in the Republic of Singapore**(Unique Entity Number: S88SS0126A)***Statement of Comprehensive Income**

For The Financial Year Ended 31 December 2015

	NOTES	2015 S\$	2014 S\$
Income			
Administrative Fee Income		-	42,479
Anonymous Blood Testing Income	13	193,381	174,997
Donations and Sponsorships		282,937	466,885
Endowment Fund Income	7	51,832	72,233
Fund Raising Activities (Gross Receipts) and Campaigns		6,012	408,749
HIV/AIDS Workshop/Conference Income		-	31,550
Interest on Autosave Accounts		259	249
MOH Sero Prevalence Project		37,942	30,830
Mobile Testing Site Income	14	28,141	22,399
Other Support and Care		22,998	9,163
Other Income		73,578	32,534
		<u>697,080</u>	<u>1,292,068</u>
Less: Expenditures			
Administrative Expenses	15	(677,896)	(717,490)
Endowment Fund Expenses	7	(931)	(34,614)
Project and Programme Expenses	16	(374,709)	(358,769)
Embezzlement of Funds	17	-	(6,581)
(Deficit) / Surplus before grant income		<u>(356,456)</u>	<u>174,614</u>
Grant Income from Statutory Board	19	393,451	113,908
Surplus after Grant Income		<u>36,995</u>	<u>288,522</u>
Tax	4	-	-
Surplus for the year, representing total Comprehensive Income for the year		<u><u>36,995</u></u>	<u><u>288,522</u></u>
Transferred to (from)			
Accumulated Funds		(13,906)	250,903
Endowment Fund	7	50,901	37,619
		<u><u>36,995</u></u>	<u><u>288,522</u></u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ACTION FOR AIDS (SINGAPORE)

Registered in the Republic of Singapore

(Unique Entity Number: S88SS0126A)

Statement of Changes In Funds

For The Financial Year Ended 31 December 2015

	Accumulated Funds	Endowment Fund	Total
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Balance as at 1 January 2014	2,166,184	1,498,116	3,664,300
Total Comprehensive Income for the Financial Year	<u>250,903</u>	<u>37,619</u>	<u>288,522</u>
Balance as at 31 December 2014	2,417,087	1,535,735	3,952,822
Total Comprehensive Income for the Financial Year	<u>(13,906)</u>	<u>50,901</u>	<u>36,995</u>
Balance as at 31 December 2015	<u>2,403,181</u>	<u>1,586,636</u>	<u>3,989,817</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ACTION FOR AIDS (SINGAPORE)
Registered in the Republic of Singapore
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Statement of Cash Flows
For The Financial Year Ended 31 December 2015

	Note	2015 <u>S\$</u>	2014 <u>S\$</u>
Operating activities			
Surplus for the year		36,995	288,522
Adjustments for:			
Depreciation of Plant and Equipment	6	29,806	48,049
Dividend Income		(9,264)	(5,990)
Grant Income from Statutory Board		(393,451)	(113,908)
Interest Income		(4,233)	(54,400)
Gain on disposal of investments		-	(4,229)
Change in Fair Value of Investment Adjustment – net		-	86,291
Operating Cash Flows Before Movements in Working Capital		(340,147)	244,335
(Increase) in Other Receivables		(1,383)	(113,007)
Decrease in Inventories		290,475	8,060
(Decrease)/ Increase in Other Payables and Accrued Expenses		(450,399)	174,458
Cash Used in Operations		(501,454)	313,846
Grant Income Received		393,451	113,908
Net Cash (Used in) / from Operating Activities		(108,003)	427,754
Investing activities			
Purchase of Fixed Assets		(14,627)	(13,231)
Disposal of Financial Assets held at Fair Value (net)		236,697	323,357
Dividends Received		9,264	5,990
Interest Received		4,233	54,400
Net Cash From Investing Activities		235,567	370,516
Net Increase in Cash and Cash Equivalents		127,564	798,270
Cash and Cash Equivalents at Beginning of Year		3,232,931	2,434,661
Cash and Cash Equivalents at End of Year	10	<u>3,360,495</u>	<u>3,232,931</u>
<u>Cash and Cash Equivalents for the year are represented by:</u>			
Cash in Hand		282	282
Cash at Bank		2,117,587	2,277,621
Deposits		1,242,626	955,028
		<u>3,360,495</u>	<u>3,232,931</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ACTION FOR AIDS (SINGAPORE)

Registered in the Republic of Singapore

(Unique Entity Number: S88SS0126A)

Notes To Financial Statements

For The Financial Year Ended 31 December 2015

1. General

Action for AIDS (Singapore) (the "Society") (Unique Entity Number: S88SS0126A) is registered under the Societies and Charities Act with its registered address at 9 Kelantan Lane #03-01, Singapore 208628.

The Society's mission is to prevent transmission of HIV/AIDS through continuous education targeted at vulnerable groups; to advocate for access to affordable care and against HIV/AIDS discrimination; and to provide support for People With AIDS (PWAs), caregivers and volunteers.

The financial statements of the Society for the year ended 31 December 2015 were authorized for issue by the Executive Committee of the Society on 4 October 2016.

The Society has been registered as a Charity (Charity registration no: 00043) since 7 October 1994. It has also renewed the status of Institute of Public Character (IPC) by the Ministry of Health, Singapore until 29 December 2016.

2. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Society has adopted all the new and revised FRSs and Interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Society's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Executive Committee anticipates that the adoption of the above FRS that was issued but effective only in future periods will not have a material impact on the financial statements of the Society in the period of its initial adoption.

FINANCIAL INSTRUMENT – Financial assets and financial liabilities are recognized on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instrument.

EFFECTIVE INTEREST METHOD – The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognized on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

ACTION FOR AIDS (SINGAPORE)

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Notes To Financial Statements

For The Financial Year Ended 31 December 2015

2. Summary of Significant Accounting Policies (Continued)

Financial assets

Investments are recognized and de-recognized on a trade date and are initially measured at fair value.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is held for trading.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is a part of an identified portfolio of financial instruments that the Society manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 5.

Loans and receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization.

2. Summary of Significant Accounting Policies (Continued)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Society derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities and accumulated funds

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. The accounting policies adopted for specific financial liabilities are set out below.

Classification as debt

Financial liabilities issued by the Society are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Society derecognizes financial liabilities when, and only when, the Society's obligations are discharged, cancelled or they expire.

ACTION FOR AIDS (SINGAPORE)

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Notes To Financial Statements

For The Financial Year Ended 31 December 2015

2. Summary of Significant Accounting Policies (Continued)

Funds

Income and expenditure of the Society are generally accounted for under the accumulated funds in the Society's statement of comprehensive income. The income and expenditure relating to a fund that is set up for a specific purpose is accounted for under endowment fund in the Society's statement of comprehensive income.

An endowment fund created from donations for specific purposes has been set up and disclosed separately from the Society's accumulated funds. Government grant and donations, to set up or augment the capital of the endowment fund, are taken directly to this fund.

The operating results of both the accumulated funds and endowment fund maintained by the Society are included in the statement of comprehensive income of the Society.

Assets and liabilities of the endowment fund are pooled in the statement of financial position at the end of each reporting period.

Trust funds

Trust funds are set up to account for contributions received from external sources for specific purposes.

The assets and liabilities of funds – Funds held in trust for the Communications Focal Point (CFP) of the Communities Delegation – Aidsfunds Grant, Care for Family Fund and Prison Medication Fund are presented as a line item under the capital and other funds section on the face of the statement of financial position of the financial statements. Receipts and disbursements relating to these funds are accounted for directly in these funds. Details of receipts, disbursements, assets and liabilities relating to these funds are disclosed in Note 12 to the financial statements.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental payable under operating leases are charged to income or expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

INVENTORIES – Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated the selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

ACTION FOR AIDS (SINGAPORE)

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Notes To Financial Statements

For The Financial Year Ended 31 December 2015

2. Summary of Significant Accounting Policies (Continued)

FIXED ASSETS – Fixed assets are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as write off the cost over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	-	50%
Computers	-	33%
Furniture, fittings and equipment	-	33%
Motor Vehicle	-	10%

The estimated useful lives and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

IMPAIRMENT OF TANGIBLE ASSETS – At the end of each reporting period, the Society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in a profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

ACTION FOR AIDS (SINGAPORE)
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Notes To Financial Statements
For The Financial Year Ended 31 December 2015

2. Summary of Significant Accounting Policies (Continued)

PROVISIONS – Provisions are recognized when the Society has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Society will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

When some or all off the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

TRUST FUNDS – Monies received for a designated purpose are recorded in cash and cash equivalents with a corresponding liability in the statement of financial position.

REVENUE RECOGNITION – General donations and cash awards are recognized as income as and when received.

Sponsorships, donations for fund raising campaigns, interest income and dividend income are recognized as income on an accrual basis.

Income from operation of the anonymous blood testing centre is recognized upon completion of service.

ADMINISTRATIVE FEE INCOME – Administrative fee income from provision of services pertaining to programmes approved by the Health Promotion Board are recognized on an accrual basis at 20% of approved expenses incurred. Administrative fee income on management of the International; AIDS Alliance Contract is recognized at 10% of funds when received.

GOVERNMENT GRANTS – Government grants are not recognized until there is reasonable assurance that the Society will comply with the conditions attaching to them and the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Society with no future related costs are recognized in income or expenditure in the period in which they become receivable.

ACTION FOR AIDS (SINGAPORE)

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Notes To Financial Statements

For The Financial Year Ended 31 December 2015

2. Summary of Significant Accounting Policies (Continued)

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Society's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimate liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

FOREIGN CURRENCY TRANSACTIONS – The financial statements of the Society are measured and presented in the currency of the primary economic environment in which the entity operates. The financial statements of the Society are presented in Singapore dollars, which is the functional currency of the Society, and the presentation currency for the financial statements.

In preparing the financial statements of the Society, transactions in currencies other than the entity's reporting period, monetary items denominated in foreign currency are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items re included in profit or loss for the period.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash on hand, bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

In the application of the Society's accounting policies, which are described in Note 2, the Executive Committee members are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes To Financial Statements
For The Financial Year Ended 31 December 2015

3. Critical Accounting Judgements and Key Sources Of Estimation Uncertainty (Continued)

The Executive Committee of the Society is of the opinion that:

- i. any instances of application of judgments are not expected to have a significant effect on the amounts recognized in the financial statements; and
- ii. there are no key sources of estimation uncertainty at the end of the reporting period that have a significant effect on the amounts of assets and liabilities within the next financial year.

4. Taxation

The Society is an approved charity under the Charities Act, Cap. 37. Hence, it is exempt from Income Tax.

5. Financial Instruments, Financial Risks and Capital Risks Management

a) *Categories of financial instruments*

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

	2015	2014
	<u>S\$</u>	<u>S\$</u>
<u>Financial Assets</u>		
Fair Value through profit or loss	344,231	580,928
Loans and receivables (including cash and cash equivalents)	3,629,059	3,523,851
	<u>3,973,290</u>	<u>4,104,779</u>
<u>Financial Liabilities</u>		
Other Payables and Accruals	89,323	389,722
	<u>89,323</u>	<u>389,722</u>

b) *Financial risk management policies and objectives*

The Society is exposed to a number of risks arising from the investment in the endowment fund. The main risks to which the Society is exposed are price risk and currency risk.

The board of trustees for the endowment fund and a financial institution manages the endowment fund on a prudent and on-going basis to ensure that the risk exposure is kept to an acceptable level.

There has been no change to the risk management policies employed by the Executive Committee to manage the risks since 2009. Market risk exposures are measured using sensitivity analysis indicated below:

Notes To Financial Statements
For The Financial Year Ended 31 December 2015

5. Financial Instruments, Financial Risks and Capital Risks Management (Continued)

b) Financial risk management policies and objectives (continued)

i. Foreign exchange risk management

The Society is exposed to foreign exchange risks on investments in endowment funds that are denominated in currencies other than Singapore dollars. The currencies giving rise to this risk are primarily the United States dollar, Hong Kong dollar, Swiss francs and Brazilian real.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities at the reporting date are as disclosed in the notes to the financial statements.

Foreign currency sensitivity

At the reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the Society's functional currency are as follows:

	Assets		Liabilities	
	2015	2014	2015	2014
	\$	\$	\$	\$
Australian Dollar	32,057	32,955	-	-
Euro	2,547	45,982	-	-
Hong Kong dollar	34,326	84,497	-	-
Great Britain pound	5,393	48,350	-	-
Swiss francs	656	19,037	-	-
United States dollar	1,162,789	193,718	-	-

The sensitivity rate used when reporting foreign currency risk to Executive Committee is 10%, which is the change in foreign exchange rate that the Executive Committee deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the above currencies were to strengthen/weaken by 10% against the Singapore dollar. Income or expenditure will increase/decrease by:

	Australian dollar impact		Euro Impact		Hong Kong dollar impact	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Income or Expenditure	3,206	3,296	255	4,598	3,433	8,450
	Great Britain pound impact		Swiss francs impact		United States dollar impact	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Income or Expenditure	539	4,835	66	1,904	116,279	19,372

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5. Financial Instruments, Financial Risks and Capital Risks Management (Continued)

b) Financial risk management policies and objectives (continued)

ii. Interest rate risk management

The Society's exposure to changes in interest rates relates primarily to its fixed deposits bank balances in financial institutions and certain fixed coupon rate bonds. The Society's policy is to place surplus funds on fixed deposits and bonds having favourable interest rates with financial institutions in Singapore.

No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

iii. Equity price risk management

The Society is exposed to equity risks arising from equity investments classified as financial assets at fair value through profit or loss.

Further details of these investments can be found in Note 10 to the financial statements.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

In respect of quoted equity investments and equity linked notes, if equity prices had been 10% higher or lower, the Society's results for the year ended 31 December 2015 would increase/decrease by \$34,423 (2014 : increase/decrease by \$58,093)

iv. Credit risk management

At the end of the reporting period, there was no significant concentration or credit risk. The Society's cash, fixed deposits and endowment funds are placed with reputable financial institutions which are regulated.

Other receivables include receivables from government boards. As such, the executive committee is of the opinion that there is no significant credit risk pertaining to other receivables.

v. Liquidity risk management

The Society practices prudent liquidity risk management by maintaining adequate liquid funds to meet its liabilities and its exposure to liquidity risk is minimal.

All financial liabilities at end of the reporting period are realizable on demand or due within 1 year from the end of the reporting period and are non-interest bearing.

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5. Financial Instruments, Financial Risks and Capital Risks Management (Continued)

b) Financial risk management policies and objectives (continued)

vi. Liquidity risk management (Continued)

Liquidity and interest risk analyses

Non-derivative financial assets

The following tables detail the remaining contractual maturity for non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Society anticipates that the cash flows will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets on the statement of financial position.

	Weighted average effective interest rate	On demand or within one year S\$	Within 2 to 5 years S\$	After 5 years S\$	Adjustment S\$	Total S\$
2015						
Non interest bearing	-	3,962,690	-	-	-	3,962,690
Fixed interest rate instrument	-	-	-	-	-	-
		3,962,690	-	-	-	3,962,690
2014						
Non interest bearing	-	3,845,530	-	-	-	3,845,530
Fixed interest rate instrument	4.19	259,249	-	-	-	259,249
		4,104,779	-	-	-	4,104,779

(a) Non interest bearing financial assets include, quoted equity shares at fair value amounting to \$344,231 (2014: \$321,679).

Notes To Financial Statements
For The Financial Year Ended 31 December 2015

5. Financial Instruments, Financial Risks and Capital Risks Management (Continued)

b) Financial risk management policies and objectives (continued)

vii. Fair value of financial assets and financial liabilities

The carrying values of cash and bank balances, other receivables, other payables and accrued expenses approximate their fair value due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes in the financial statements.

The fair values of financial assets with standard terms and conditions and traded on active liquid markets and are determined with reference to quoted market prices.

The Society classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial instruments measured at fair value:

	Total S\$	Level 1 S\$	Level 2 S\$	Level 3 S\$
Financial assets				
2015				
Financial assets at fair value through profit or loss				
- Bonds and notes	-	-	-	-
- Equity shares	344,231	344,231	-	-
Total	344,231	344,231	-	-
2014				
Financial assets at fair value through profit or loss				
- Bonds and notes	259,249	259,249	-	-
- Equity shares	321,679	321,679	-	-
Total	580,928	580,928	-	-

There were no significant transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year.

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5. Financial Instruments, Financial Risks and Capital Risks Management (Continued)

c) Capital risk management policies and objectives

The Society manages its capital to ensure that it will be able to continue as a going concern.

The capital structure of the Society consists of cash and cash equivalents, endowment fund and accumulated funds.

The Society's overall strategy remains unchanged from 2009.

6. Plant and Equipment

	Leasehold Improvements S\$	Computers S\$	Furniture, Fittings and Equipment S\$	Motor Vehicle S\$	Total S\$
Cost:					
As At January 1, 2014	72,295	31,533	13,616	72,865	190,309
Additions	1,680	11,551	-	-	13,231
Disposals	-	-	-	-	-
As At December 31, 2014	73,975	43,084	13,616	72,865	203,540
Additions	-	11,490	3,137	-	14,627
Disposals	-	-	-	-	-
As At December 31, 2015	73,975	54,574	16,753	72,865	218,167
Accumulated depreciation:					
As At January 1, 2014	32,776	16,136	10,288	17,468	76,668
Charge for the year	31,583	7,764	1,416	7,286	48,049
Disposals	-	-	-	-	-
As At December 31, 2014	64,359	23,900	11,704	24,754	124,717
Charge for the year	9,546	11,222	1,752	7,286	29,806
Disposals	-	-	-	-	-
As At December 31, 2015	73,905	35,122	13,456	32,040	154,523
Carrying amount:					
As At December 31, 2015	70	19,452	3,297	40,825	63,644
As At December 31, 2014	9,616	19,184	1,912	48,111	78,823

7. Financial Assets Held At Fair Value Through Profit Or Loss – Endowment Fund

	2015 S\$	2014 S\$
Quoted investments at fair value:		
Bonds and notes	-	259,249
Equity shares	344,231	321,679
	<u>344,231</u>	<u>580,928</u>

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For The Financial Year Ended 31 December 2015

7. Financial Assets Held At Fair Value Through Profit Or Loss – Endowment Fund (Continued)

The AFA Endowment Fund was set up in Year 2004 to foster and support all educational activities in relation to AIDS/HIV infection; to promote research in all fields relating to AIDS/HIV infection; and to support welfare activities in the prevention and alleviation of suffering of persons with AIDS/HIV infection. The investments under the Endowment Fund are managed by a professional fund manager.

Financial assets held at fair value through profit or loss that are not denominated in the functional currency of the Society are as follows:

	2015	2014
	<u>S\$</u>	<u>S\$</u>
Australian Dollars	32,057	32,955
British Pounds	5,393	48,350
Euro	2,547	45,982
Hong Kong Dollars	34,326	84,497
Indonesian Rupiah	4,858	11,059
Swiss Francs	656	19,037
United States Dollars	<u>1,162,789</u>	<u>193,718</u>

The statement of financial position and statement of comprehensive income of the endowment fund are as follows:

	2015	2014
	<u>S\$</u>	<u>S\$</u>
<u>Statement of financial position</u>		
Current Assets		
Cash and Cash Equivalents	1,242,626	955,028
Financial Assets held at Fair Value through Profit or Loss	344,231	259,249
Non-Current Asset		
Financial Assets held at Fair Value through Profit or Loss	-	321,679
Current Liability		
Accrued Expenses	(221)	(221)
Net Assets	<u>1,586,636</u>	<u>1,535,735</u>
Financed by:		
Original Fund	1,100,000	1,100,000
Accumulated Surplus	<u>486,636</u>	<u>435,735</u>
	<u>1,586,636</u>	<u>1,535,735</u>

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7.	Financial Assets Held At Fair Value Through Profit Or Loss – Endowment Fund (Continued)		
		2015	2014
		S\$	S\$
	<u>Statement of comprehensive income</u>		
	Income:		
	Dividend income	4,941	5,990
	Unrealised Gain on Fair Value of Investments	12,009	7,614
	Interest on Bonds	14,708	54,400
	Exchange Gain	18,704	-
	Net Gain on Disposal of Investments	1,470	4,229
		<u>51,832</u>	<u>72,233</u>
	Less: Expenditures:		
	Fund Management Fees	(931)	(999)
	Exchange Loss	-	(33,615)
		<u>(931)</u>	<u>(34,614)</u>
	Surplus for the year, representing total comprehensive income for the year	50,901	37,619
	Accumulated Surplus at Beginning of Year	435,735	398,116
	Accumulated Surplus at End of Year	<u>486,636</u>	<u>435,735</u>
8.	Inventories		
		2015	2014
		S\$	S\$
	<u>Condoms and Lubricants</u>		
	As at 1 January	290,475	298,535
	Distribution	(6,213)	(8,060)
	Re-class to unutilized Grant Amount (Refer to Note 20)	(284,262)	
	As at 31 December	<u>-</u>	<u>290,475</u>
9.	Other Receivables		
		2015	2014
		S\$	S\$
	Deposits	50,435	13,750
	Other Recoverable	36,770	264,055
	Accrued Revenue	38,997	14,000
	Grants Receivable	181,359	13,115
	Prepayments	3,209	4,467
		<u>310,770</u>	<u>309,387</u>
10.	Cash And Cash Equivalents		
		2015	2014
		S\$	S\$
	Cash on hand	282	282
	Cash at bank	2,117,587	2,277,621
	Deposits	1,242,626	955,028
		<u>3,360,495</u>	<u>3,232,931</u>

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10. Cash And Cash Equivalents (Continued)

The Society's cash and cash equivalents that are not denominated in its functional currency are as follows:

	2015	2014
	S\$	S\$
Australian dollars	32,057	32,955
Swiss Francs	656	402
Euro	2,547	2,044
British pounds	5,393	4,155
Hong Kong Dollars	34,326	31,122
Indonesian Rupees	4,858	5,049
United States dollars	<u>1,162,789</u>	<u>38,193</u>

11. Trust Funds

	2015	2014
	S\$	S\$
a) Communications Focal Point (CFP) of the Communities Delegation – Aidsfonds Grant	(23,575)	(23,575)
b) Care for Family Fund	12,718	23,318
c) Prison Medication Fund	<u>14,320</u>	<u>14,320</u>
	<u>3,463</u>	<u>14,063</u>

a) Communications Focal Point (CFP) of the Communities Delegation - Aidsfonds Grant

The Communications Focal Point (CFP) of the Communities Delegation – Aidsfonds Grant is an extension of the Global Fund to fight AIDS, TB and Malaria. The fund's primary purpose is to finance the day-to-day activities and programme execution by the CFP members whose work is dedicated to people living with and affected by the three diseases and AFA provides the administrative support. The Fund's ending balances as at 31 December 2014 and 31 December 2015 resulted in the negative due to timing difference of the financial contribution by the committed donor. Subsequent to the financial year-end, a contribution amount of S\$23,575 was received on 21 June 2016.

	2015	2014
	S\$	S\$
As At 1 January	(23,575)	9,157
Contribution Received	-	46,742
Salaries	-	(79,474)
Other Expenses	-	-
As At 31 December	<u>(23,575)</u>	<u>(23,575)</u>
Represented by:		
Cash and Cash Equivalents	<u>(23,575)</u>	<u>(23,575)</u>

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11. Trust Funds (Continued)

b) Care for Family Fund

The Care for Family Fund was launched in 29 November 2007. The aim of the fund is to provide a short-term financial assistance of up to \$400 a year to families of persons with HIV infection, particularly to those who have been severely impacted financially. The Care for Family Fund is designed to help in areas where other HIV & AIDS assistance programmes may not cover such as school fees of children of PLHIV, single HIV+ parents, household expenditure of low income families, transport fees of school-going children of PLHIV etc. AFA manages the application and award processing of the fund on behalf of the donors.

	2015	2014
	<u>S\$</u>	<u>S\$</u>
As At 1 January	23,318	24,818
Contribution Received	-	900
Disbursements to Applicants	<u>(10,600)</u>	<u>(2,400)</u>
As At 31 December	<u>12,718</u>	<u>23,318</u>
Represented by:		
Cash and Cash Equivalents	<u>12,718</u>	<u>23,318</u>

c) Prison Medication Fund

Prison Medication Fund was launched in 2009 and its main aim is the provision of antiretroviral medication for HIV+ Changi Prison inmates. The fund is supported by both corporate and private donors and AFA arranges for the purchase and delivery of these medications to the affected HIV inmates on a monthly basis.

	2015	2014
	<u>S\$</u>	<u>S\$</u>
As At 1 January	<u>14,320</u>	<u>14,320</u>
As At 31 December	<u>14,320</u>	<u>14,320</u>
Represented by:		
Cash and Cash Equivalents	<u>14,320</u>	<u>14,320</u>

12. Other Payables and Accrued Expenses

	2015	2014
	<u>S\$</u>	<u>S\$</u>
Resistance Test Grant	9,605	11,168
Accrued Expenses	79,718	93,292
Other Payables	-	285,262
Deferred Income	-	150,000
	<u>89,323</u>	<u>539,722</u>

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13. Anonymous Blood Testing Income		
	2015	2014
	S\$	S\$
Receipts from Anonymous Blood Testing Centre	289,660	256,509
Less: HIV Test Kits	<u>(96,279)</u>	<u>(81,512)</u>
	<u>193,381</u>	<u>174,997</u>
14. Mobile Test Site		
	2015	2014
	S\$	S\$
Mobile Test Site Income	76,680	75,332
Less: Mobile Test Site Expenses	<u>(48,539)</u>	<u>(52,933)</u>
	<u>28,141</u>	<u>22,399</u>
15. Administrative Expenses		
	2015	2014
	S\$	S\$
Administrative Service Fee	7,800	4,235
AGM Expenses	-	5,296
AFA Newsletter	-	15,173
Bank Charges	872	1,282
Depreciation of Plant and Equipment	29,806	48,049
Equipment Leasing	5,881	5,639
Plant and Equipment Expensed off	1,413	1,447
Legal and Professional Fees	34,630	31,980
Miscellaneous	1,439	330
Office Maintenance	7,767	4,044
OLDP Service Charges	-	968
Penalty	70	459
Postages and Courier Services	594	95
Printing and Stationery	7,272	8,443
Recruitment	3,075	1,995
Refreshments	3,120	1,066
Rental of Office Premises	87,972	82,272
Staff Costs*	451,081	467,363
Staff Medical Expenses	1,075	703
Staff Insurance Expenses	2,614	2,890
Supplies and Materials	286	2,312
Telecom Charges	4,872	6,520
Training	4,732	3,594
Travelling and Accommodation	13,359	13,362
Utilities	6,917	6,787
Website Maintenance	<u>1,249</u>	<u>1,186</u>
	<u>677,896</u>	<u>717,490</u>

* The Executive Committee members are not remunerated. Included in staff costs are salaries, Central Provident Fund (CPF) contributions and bonuses amounting to \$38,192 (2014: \$88,560) paid to key management personnel.

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16. Project and Programme Expenses

	2015	2014
	<u>S\$</u>	<u>S\$</u>
AIDS Conference	-	27,600
Buddies and Friends	456	-
Candlelight Memorial	5,272	4,845
CDC Medical Subsidy	7,547	7,633
Club Genesis	1,731	1,192
Condom Provision	6,213	8,060
Fundraising Expenses	1,250	57,207
Funded Capacity Building	2,322	3,866
Heterosexual Male Outreach Programme	202,377	135,364
HIV Education Workshops	-	11
Life Goes On	1,477	1,316
MAC Grant	-	9,523
Medical Subsidy	44,100	46,050
MOH Sero-Prevalence Project	7,896	22,872
MSM project	75,012	18,551
Movie Screening	-	3,377
Muslim Outreach Programme	64	310
NUH Medical Subsidy	-	(705)
Positive Living Centre	-	18
Pregnant Mother's Fund	1,700	6,220
Post Exposure Prophylaxis	16,650	2,326
Unity Support Group	642	616
Western Blot Confirmatory Test	-	2,517
	<u>374,709</u>	<u>358,769</u>

17. Embezzlement of Funds

During the financial year, the Executive Committee discovered cash received from the various revenue sources like the Mobile Testing Site, Anonymous Blood Testing and Donation collected from Tins from May 2014 to March 2015 were not banked-in on a prompt basis for financial years ended 31 December 2014 and 31 December 2015. Further checks by the committee revealed that there was missing cash of \$135,428 relating to both years. An initial loss of S\$6,581 was recognized in the financial year 31 December 2014 before all monies had been recovered in Years 2015 and 2016 except for \$220 which was deemed to be the final irrecoverable loss.

The Executive committee had made a police report and the Society's Sector Administrator, Ministry of Health had been duly informed. Subsequent to the financial year, Singapore Police Force had sent a report dated 12 July 2016 informing the outcome of the police investigations that stern warning had been administered to the accused in lieu of prosecution.

18. Tax Exempt Receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted double tax deduction for the donations made to the Society. During the financial year, the Society issued tax-exempt receipts for donations collected amounting to \$121,185 (2014: S\$927,079).

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19. Grant Income From Statutory Board

	2015	2014
	<u>S\$</u>	<u>S\$</u>
Heterosexual Male Outreach Programme	282,249	113,908
MSM Outreach Programme	111,202	-
	<u>393,451</u>	<u>113,908</u>

20. Unutilised Funds for the Distribution of Condoms and Lubricants

In Year 2012, the Society had received a grant amount of S\$617,907 from Health Promotion Board (HPB) as part of the communicable disease education and prevention efforts to promote HIV prevention through distribution of condoms and lubricants.

As of 31 December 2015, the unutilised grant amount stands at S\$284,262 (Year 2014: S\$290,475). The Society had planned to utilize the balance of the grant amount to procure and distribute the condoms and lubricants to the targeted beneficiaries by 31st December 2017. The commitment has not been provided for in the financial statements although the funds have been duly earmarked for the designated purpose.

21. Operating Lease Arrangements

At the end of the reporting period, the Society has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	<u>S\$</u>	<u>S\$</u>
Within one year	85,200	5,021
In the second to fifth years inclusive	3,300	-
	<u>88,500</u>	<u>5,021</u>

Operating lease payments represent rentals payable by the Society for its office premises. Leases are negotiated and rentals are fixed for a term of two years.

22. Reserves Policy

	2015	2014
	<u>S\$</u>	<u>S\$</u>
Unrestricted Funds	2,403,181	2,417,087
Ratio of Reserves to Annual Operating Expenditure	<u>4</u>	<u>3</u>

The reserves of the Society provide financial stability and the means for the development of the Society's activities. The Society intends to maintain the reserves at a level sufficient for its operating needs. The Executive Committee reviews the level of reserves regularly for the Society's continuing obligations.