NEW LIFE STORIES LIMITED
(Company Limited by Guarantee)
(Company Registration No. 201411304Z)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

NEW LIFE STORIES LIMITED
(Incorporated in the Republic of Singapore)

CONTENTS

NEW LIFE STORIES LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the accompanying audited financial statements of New Life Stories Limited (the "Company") for the financial year ended 31 December 2017.

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2017 and the financial activities, changes in fund and cash flows of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this report are as follows:

Graham John Kelly
K Veerapandiyan
Ong Sok Chzeng @ Su Chzeng Booth Ong
K H Majeed Bin Maiden (Appointed on 17 October 2017)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

As the Company is a company limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Schedule 12(9) of the Singapore Companies Act, Chapter 50 does not apply.

NEW LIFE STORIES LIMITED
(Incorporated in the Republic in Singapore)

DIRECTORS' STATEMENT

INDEPENDENT AUDITOR

The independent auditor, True Assurance PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Graham John Kelly
Director

K Veerapandiyan
Director

Singapore
10 August 2018

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LIFE STORIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Life Stories Limited (the "Company") which comprise the statement of financial position as at 31 December 2017, and the statement of financial activities, statement of changes in fund and statement of cash flows for the financial 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 Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 (the "Charities Act") and the Charities Accounting Standard ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in fund and cash flows of the Company for the financial year then ended.

Basis for Opinion

We conducted our audit in accordance with the 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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.

Emphasis of Matter

We draw attention to Note 2(b) to the financial statements. The Company reported a deficit of S$52,251 for the financial year ended 31 December 2017. As of that date, the Company has net current liabilities of S$33,929 and the Company's fund was in deficit of S$26,292. The financial statements have been prepared on a going concern basis, on the assumption that continuing financial support will be available from the directors to enable the Company to meet its liabilities as and when they fall due. If the directors are unable to provide the necessary financial support, the Company would not be able to operate as a going concern. Adjustments may have to be made to reflect the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might result if the going concern basis is found to be inappropriate. No adjustments have been made in the financial statements. Our opinion is not qualified in respect of this matter.

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INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LIFE STORIES LIMITED (Continue)

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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 Those Charged with Governance 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 Company'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 Company or to cease operation, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's 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 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.

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INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LIFE STORIES LIMITED (Continue)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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 Company'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 Company'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. However, future events or conditions may cause the Company 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 those charged with governance 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.

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INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEW LIFE STORIES LIMITED (Continue)

Report on Other Legal and Regulatory Requirements

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

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

(a) the Company has not used the donation moneys in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) regulations.

TRUE ASSURANCE PAC
Public Accountants and
Chartered Accountants
Singapore

10 August 2018

True Assurance PAC
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NEW LIFE STORIES LIMITED
(Incorporated in the Republic in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 S$	2016 S$
ASSETS			
Non-current asset			
Plant and equipment	3	7,637	11,682
Current assets			
Donation receivables	4	-	2,020
Other current assets	5	6,150	6,416
Cash and bank balances		37,382	30,493
		43,532	38,929
Total Assets		51,169	50,611
FUND AND LIABILITIES			
Fund			
General fund	6	(26,292)	25,959
Current liabilities			
Other payables and accruals	7	77,461	24,652
Total fund and liabilities		51,169	50,611

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

NEW LIFE STORIES LIMITED
(Incorporated in the Republic in Singapore)

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S$	2016 S$
Income			
Voluntary income:			
General donations	8	210,233	46,643
Other income:			
Rental income		2,250	-
Miscellaneous income		34	7
Total income		212,517	46,650
Less: Operating expenses			
Charitable activities:			
Incare		375	470
Outcare		1,198	1,409
Aftercare		1,021	470
Governance costs		12,514	9,847
Other expenditure		249,660	121,359
Total expenses		264,768	133,555
Net expenses before tax expense		(52,251)	(86,905)
Tax expense	10	-	-
Deficit for the financial year		(52,251)	(86,905)
Other comprehensive income		-	-
Total comprehensive losses for the financial year		(52,251)	(86,905)

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

NEW LIFE STORIES LIMITED
(Incorporated in the Republic in Singapore)

STATEMENT OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	General fund S$
Balance at 1 January 2016	112,864
Deficit for the financial year	(86,905)
Balance at 31 December 2016	25,959
Deficit for the financial year	(52,251)
Balance at 31 December 2017	(26,292)

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	2017 S$	2016 S$
Operating Activities		
Deficit before income tax	(52,251)	(86,905)
Adjustments for:		
Depreciation of plant and equipment	4,045	3,892
Interest expense	-	9
Operating deficit before working capital changes	(48,206)	(83,004)
Donation receivables	2,020	(2,020)
Other current assets	266	6,000
Other payables and accruals	52,809	19,964
Cash generated from/(used in) operations	6,889	(59,060)
Interest paid	-	(9)
Net cash from/(used in) operating activities	6,889	(59,069)
Investing Activity		
Purchase of plant and equipment	-	(9,170)
Net cash used in investing activity	-	(9,170)
Net increase/(decrease) in cash and cash equivalents	6,889	(68,239)
Cash and cash equivalents at beginning of the financial year	30,493	98,732
Cash and cash equivalents at end of financial year	37,382	30,493

Note: Cash and cash equivalents comprised cash and bank balances.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

1. GENERAL

New Life Stories Limited (the "Company") was incorporated in the Republic of Singapore as a company limited by guarantee without a share capital. Every member of the Company undertakes to contribute to the assets of the Company such amount as may be required not exceeding the sum of S$1 in the event of the Company being wound up during the time he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and for the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves.

The Company became an Institution of a Public Character ("IPC") on 1 July 2016 with its Sector Administrator being the Ministry of Social and Family Development.

The principal activity of the Company is to conduct in-prison and out-prison Social Development Programme for incarcerated mothers and children aged 3 to 10 years old.

The registered office is located at 8 Shenton Way, #21-07, AXA Tower, Singapore 068811. The principal place of business is located at 60 Paya Lebar Road, #06-39 Paya Lebar Square, Singapore 409051.

The financial statements of the Company for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 10 August 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with Singapore Charities Act, Chapter 37 (the "Charities Act") and Charities Accounting Standard ("CAS").

The financial statements, which are presented in Singapore dollars ("S$"), have been prepared on historical cost basis except as disclosed in the accounting policies below. All financial information presented are denominated in Singapore dollars unless otherwise stated.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting (cont'd)

The preparation of financial statements in conformity with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Although these estimates are based on the Company's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement.

(b) Going concern

The Company reported a deficit of S$52,251 for the financial year ended 31 December 2017. As of that date, the Company has net current liabilities of S$33,929 and the Company's fund was in deficit of S$26,292. These factors raise substantial doubt that the Company will be able to continue as a going concern. The ability of the Company to continue to operate as a going concern is dependent on voluntary public donations and external corporate funding as well as continuing financial support from directors to meets its liabilities as and when they fall due. The directors believe that the going concern assumption is appropriate. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(c) Functional currency

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

(d) Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Computers	3 years
Furniture and fittings	3 years
Renovation	5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Plant and equipment (cont'd)

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

(e) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an assets is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in statement of financial activities, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments

(i) Financial assets

Initial recognition and measurement
Financial assets are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of finance assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Company's loans and receivables comprised donation receivables, amount due from an employee, refundable deposits and cash and bank balances.

Derecognition
A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in statement of financial activities.

(ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. The Company's financial liabilities include other payables and accruals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

Subsequent measurement
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of financial activities.

(g) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Company first assessed whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for any individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets 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 discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in statement of financial activities.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of financial assets (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in statement of financial activities.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(i) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources 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.

(j) Related parties

A related party is defined as follows:

(aa) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(j) Related parties (cont'd)

(bb) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (aa); or
(vii) A person identified in (aa)(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).

(k) Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Company that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Company. Unrestricted funds are expendable at the discretion of the Board in furtherance of the Company's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Board's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities to the specific funds are pooled in the statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) *Fund*

Unrestricted fund
Unrestricted fund comprises general fund and designated fund. General funds are used for the general purposes of the Company as set out in its governing document. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

Restricted fund
Restricted funds are fund subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the Company. Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Board retains full control to use in achieving its institutional purposes.

(m) *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue and related cost can be reliably measured.

Donations
Donations are recognised when received. Income recognition is only deferred when the donor specifies that the donations can only be used in future accounting periods or the donor has imposed certain conditions, which must be met before the Company has unconditional entitlement.

Donation assets
These are not reflected in the financial statements due to their immateriality.

Interest income
Interest income is recognised as the interest accrues taking into account the effective yield of the asset.

(n) *Expenditure*

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity. The basis of allocation of expenses is allocated according to the amount of manpower allocated for the respective fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Expenditure (cont'd)

Cost of generating funds
The cost of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

Charitable activities
Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

Governance costs
Governance costs include the cost of governance arrangements, which relate to the general running of the Company as opposed to the direct management funcitons inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportionament manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

Other expenditure
Other expenditure includes the payment of any expenditure that the Company has not been able to analyse within the main expenditure categories.

(o) Employee benefits

Defined contribution plans
As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund ("CPF") Scheme which is a defined contribution scheme. Contributions to CPF are recognised as expense in the period in which the related service is performed.

Employee leave entitlement
Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income taxes

With effect from the Year of Assessment 2009, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. They do not need to file income tax return effective from the Year of Assessment 2009.

(q) Operating leases

Where the Company is the lessee
Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to 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.

NEW LIFE STORIES LIMITED
(Incorporated in the Republic in Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. PLANT AND EQUIPMENT

	Computers	Furniture and fitting	Renovation	Renovation in progress	Total
	S$	S$	S$	S$	S$
Cost					
Balance at 1/1/2016	1,166	-	-	5,400	6,566
Additions	2,313	3,257	3,600	-	9,170
Reclassification	-	-	5,400	(5,400)	-
Balance at 31/12/2016	3,479	3,257	9,000	-	15,736
Addition	-	-	-	-	-
Balance at 31/12/2017	3,479	3,257	9,000	-	15,736
Accumulated depreciation					
Balance at 1/1/2016	162	-	-	-	162
Charge for the financial year	1,159	933	1,800	-	3,892
Balance at 31/12/2016	1,321	933	1,800	-	4,054
Charge for the financial year	1,160	1,085	1,800	-	4,045
Balance at 31/12/2017	2,481	2,018	3,600	-	8,099
Net carrying amount					
Balance at 31/12/2016	2,158	2,324	7,200	-	11,682
Balance at 31/12/2017	998	1,239	5,400	-	7,637

4. DONATION RECEIVABLES

This pertains to donation receivables from a third party fundraising platform on behalf of the Company.

5. OTHER CURRENT ASSETS

	2017	2016
	S$	S$
Deposits	6,150	6,150
Prepayment	-	266
	6,150	6,416

6. GENERAL FUND

Fund of the Company comprises the general fund, which is unrestricted. The funds are expendable at the discretion of the Board in furtherance of the Company's objectives.

7. OTHER PAYABLES AND ACCRUALS

	2017	2016
	S$	S$
Accruals	3,500	7,115
CPF Board	21,063	-
Other payables	55,387	-
Amount due (from)/to an employee	(2,489)	17,537
	77,461	24,652

The amount due (from)/to an employee is unsecured, interest-free and (recoverable)/repayable on demand.

8. GENERAL DONATION

The income refers to sponsorship from donors for activities which includes In-care: love programme, Out-care: Early Reader and After-care programme.

9. EMPLOYEE BENEFITS

	2017	2016
	S$	S$
Salaries	137,348	16,500
CPF Contribution	13,661	-
Staff benefits	5,101	-
Balance at end of the financial year	156,110	16,500

10. TAX EXPENSE

The Company is an approved charity under the Charities Act, Chapter 37 and is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

11. RELATED PARTY TRANSACTION

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	2017	2016
	S$	S$
Loan received from a director	3,500	-
Repayment of loan to a director	(3,500)	-
Compensation of a Key Management Personnel:		
Honorarium	-	36,000
Salaries	65,600	12,000
CPF Contribution	8,160	-
Other benefits	2,114	-
	75,874	48,000

12. LEASE COMMITMENT

At the end of the reporting period, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	S$	S$
Within one year	-	28,200

Lease term does not contain restrictions on the Company's activities concerning dividends, additional debt or future leasing.

13. INSTITUTION OF A PUBLIC CHARACTER

The Commissioner of Charities has granted the Company IPC status from 27 October 2017 to 26 October 2018. Renewal of IPC status has to be done at least 2 months before the expiry of the current approval.