

Hagar (Singapore) Limited
Company No : 200401226H

ANNUAL REPORT

Hagar (Singapore) Limited
(Incorporated in Singapore)
(A Company limited by guarantee and not having a share capital)

Report of the Directors and Financial Statements

**For the financial year ended
31 December 2018**

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(Incorporated in Singapore)
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Report of the Directors and Financial Statements

**For the financial year ended
31 December 2018**

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Directors' Statement

The Directors are pleased to submit their statement to the members of the Company together with the audited financial statements of HAGAR (SINGAPORE) LIMITED ("the Company") for the financial year ended 31 December 2018.

In our opinion:-

- a) the accompanying financial statements of the Company as set out on pages 5 to 12 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and the financial performance, changes in accumulated 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.

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

Directors

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

Koh Eu Beng
Michael Chiam Tow Khoon
Jimson Cheng Jang Fa
Chua Eng Hui
Sylvia Lee
Lee How Giap
Chan Chee Onn
Dominique Choy Sok Fun
Micaela Francesca Cronin (resigned on 11 March 2019)

Arrangements To Enable Directors To Acquire Benefits

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

Other Matters

As the Company is limited by guarantee, matters relating to the interest of the directors who held office at the end of the financial year in the shares or debentures of the Company, arrangements to enable the directors to acquire shares or debentures and the issue of share options are not applicable.

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Auditors

The auditors, TM ZEE & CO, have expressed their willingness to accept re-appointment.

On behalf of the Directors



Jimson Cheng Jang Fa
Director



Michael Chiam Tow Khoon
Director

Dated: 30 April 2019
Singapore

T M ZEE & CO

*Public Accountants and
Chartered Accountants Singapore*
7500A Beach Road
#15-301 The Plaza
Singapore 199591
Tel: 62920998 / Fax: 62933878
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**HAGAR (SINGAPORE) LIMITED**

(Incorporated in Singapore)

(A Company limited by guarantee and not having a share capital)

Opinion

We have audited the financial statements of HAGAR (SINGAPORE) LIMITED (the "Company"), which comprise the Statement of Financial Position of the Company as at 31 December 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows of the Company for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 12.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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.

Other Information

Management is responsible for the other information which comprises the Directors' Statement set out on pages 1 to 2. Our opinion on the financial statements does not cover the other information and we do not express any form of audit 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.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with 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

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Management's responsibility for the financial statements (continued)

cease operations, or has no realistic alternative but to do so. The Directors' responsibilities include overseeing the Company's financial reporting process.

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Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain 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.

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 on 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 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



T M Zee & Co
Public Accountants and Chartered Accountants Singapore

Dated: 30 April 2019

Hagar (Singapore) Limited
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**Statement of Financial Position
As At 31 December 2018**

	Notes	2018 S\$	2017 S\$
ACCUMULATED FUND	3	<u>119,131</u>	<u>74,224</u>
Represented by:			
Non-current asset			
Fixed Assets	4	<u>-</u>	<u>-</u>
Current Assets			
Prepayment		1,510	872
Cash at bank	5	139,377	96,440
		<u>140,887</u>	<u>97,312</u>
Less: Current Liability			
Accruals		<u>(21,756)</u>	<u>(23,088)</u>
Net Assets		<u>119,131</u>	<u>74,224</u>

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

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Hagar (Singapore) Limited

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**Statement of Profit or Loss and Other Comprehensive Income
for the financial year ended 31 December 2018**

	Notes	2018 S\$	2017 S\$
Income			
Donations received		842,082	680,359
Interest income		400	-
		<u>842,482</u>	<u>680,359</u>
Expenses			
Accounting fees		250	-
Amortisation expenses		1,208	1,201
Auditor's remuneration		1,000	1,000
Bank charges		2,419	1,336
Donations		421,272	328,908
Events		36,238	-
Insurance		-	1,506
IT and Internet charges		683	2,150
Marketing expenses		22,284	46,791
Medical fees		-	331
Minor assets written off		-	10,917
Nominee Directors' Fees		321	-
Printing, stationery and postages		1,403	1,036
Programmes - International		210	-
Programmes - Local		32,298	-
Registered Address Fee		385	-
Rent		9,600	5,600
Salary, CPF and related costs		259,631	251,534
Secretarial fees		1,284	2,445
Sundry expenses		672	465
Tax fees		-	250
Telephone		1,310	853
Travelling expenses		4,576	10,134
Utilities		531	635
		<u>797,575</u>	<u>667,092</u>
Net surplus before taxation	6	44,907	13,267
Taxation	7	-	-
Net surplus after taxation		44,907	13,267
Other comprehensive income, net of tax		-	-
Total comprehensive income transferred to Accumulated Fund	3	44,907	13,267

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

Hagar (Singapore) Limited
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Statement of Cash Flows
for the financial year ended 31 December 2018

	Notes	2018 S\$	2017 S\$
Cash flows from operating activities			
Net surplus before taxation		44,907	13,267
Add: Amortisation expenses		1,208	1,201
		46,115	14,468
Changes in working capital:-			
Increase in current assets		(638)	(185)
(Decrease) / Increase in current liabilities		(1,332)	13,721
Net cash generated from operating activities		44,145	28,004
Cash flows from investing activities			
Purchase of fixed assets		(1,208)	-
		(1,208)	-
Cash flows from financing activities			
		-	-
Net increase in cash and cash equivalents		42,937	28,004
Cash and cash equivalents at beginning of year		96,440	68,436
Cash and cash equivalents at end of year	5	139,377	96,440

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

Hagar (Singapore) Limited

(Incorporated in Singapore)

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Notes To The Financial Statements – 31 December 2018

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

(1) General

Hagar (Singapore) Limited ("the Company") is incorporated in Singapore as a company limited by guarantee and not having a share capital and is domiciled in the Republic of Singapore.

The company is limited by its member's guarantee to contribute to the assets of the Company an amount of S\$50 each in the event of it being wound up.

The registered office and business place is located at 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778.

The principal activities of the company are to provide fostering hope for vulnerable women and children in crises through holistic, transformational development and creative initiatives. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Company for the year ended 31 December 2018 were authorized for issue in accordance with a resolution of the directors on the date of the statement by directors.

The number of staff employed as at the end of the financial year is 4 (2017: 3).

(2) Significant Accounting Policies

(a) Basis of preparation of financial statements

The financial statements, which are expressed in Singapore dollars, are prepared in accordance with the historical cost convention.

(b) Statement of compliance

The financial statements of the Company have been prepared in accordance with and comply with the Singapore Financial Reporting Standards (FRS) and the applicable requirements of the Singapore Companies Act.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretation of FRS ("INT FRS") issued by the Accounting Standards Council that are relevant to its operations and effective for annual years beginning on or after 1 January 2018. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

At the date of authorization of these financial statements, the directors anticipate that the adoption of FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective until future years will not have a material impact on the financial statements of the Company.

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(2) **Significant Accounting Policies (continued)**

(c) Fixed assets and depreciation/amortisation

Fixed assets are stated at cost less accumulated depreciation/amortisation. Depreciation/amortisation is provided on a straight-line basic so as to write off the assets over their estimated useful lives as follows:-

Computers and computer software	100% (2017: 33.33%)
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(d) Cash and cash equivalents

Cash and cash equivalents are defined as cash at banks and are subjected to insignificant risk of change in value. Cash on hand and at banks are carried at cost. For purposes of cash flow statement, cash and cash equivalents form an integral part of the Company's cash management.

(e) Taxation

The Company is exempt from income tax under Section 13(1)(zm) of the Income Tax Act.

(f) Functional Currency

The functional currency of the Company is the Singapore dollar. The directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Contributions from related parties and no-related parties and donations are recognised on the date of receipt.

(h) Foreign currency transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of transaction. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange at the end of the financial year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Non-monetary items that are measured in terms of historical cost or fair value in a foreign currency shall be translated using the exchange rate at the date of transaction or at the date when the fair value was determined respectively.

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(3) **Accumulated Fund**

	2018 S\$	2017 S\$
Balance at beginning of financial year	74,224	60,957
Add: surplus for the financial year	44,907	13,267
Balance at end of financial year	<u>119,131</u>	<u>74,224</u>

(4) **Fixed Assets**

	2018 S\$	2017 S\$
COMPUTER AND SOFTWARE		
Cost		
Balance at beginning of financial year	6,009	6,009
Additions	1,208	-
Disposals	-	-
Balance at end of financial year	<u>7,217</u>	<u>6,009</u>
Accumulated Depreciation		
Balance at beginning of financial year	6,009	4,808
Additions	1,208	1,201
Disposals	-	-
Balance at end of financial year	<u>7,217</u>	<u>6,009</u>
Net Book Value :		
- at end of financial year	<u>-</u>	<u>-</u>
- at beginning of financial year	<u>-</u>	<u>1,201</u>

(5) **Cash and cash equivalents**

Cash and cash equivalents consist of fixed deposit and cash at bank. Cash and cash equivalents, denominated in Singapore dollars, included in the cash flow statement comprise the following balance sheet accounts:

	2018 S\$	2017 S\$
Fixed deposit **	40,000	20,000
Cash at bank	99,377	76,440
	<u>139,377</u>	<u>96,440</u>

** The Company has a cash reserve policy to place approximately 3 – 6 months of operating cash flow in fixed deposits so as to ensure that the Company has sufficient and accessible cash flow for its operational requirements.

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(6) **Net surplus before taxation**

	2018 S\$	2017 S\$
This is stated after charging:		
Amortisation expenses	1,208	1,201
Auditor's remuneration	1,000	1,000
Nominee Directors' Fees	321	-
Salary, CPF and related costs	259,631	251,534
	<hr/>	<hr/>
And crediting:		
Interest income	400	-
	<hr/>	<hr/>

(7) **Taxation**

- (a) No provision for taxation is deemed necessary as the Company is registered as an exempt charity under the Charities Act, Chapter 37, by virtue of Section 13(1)(zm) of the Income Tax Act Chapter 134. and is thus exempted from income tax.
- (b) As at 31 December 2018, the Company has unabsorbed tax losses of approximately S\$NIL (2017: S\$NIL) which can, subject to the relevant provision of the Singapore Income Tax Act, Cap 134 be carried forward and utilized to offset against future taxable profits.
- (c) Unutilized tax benefits at 31 December 2018 totaling S\$NIL (2017: S\$NIL) arising from unabsorbed tax losses have not been recognized as there is no reasonable certainty of their realization in future periods.

(8) **Financial Risk**

- (a) Financial risk management objectives and policies
The Company is exposed to various common financial risks arising in the normal course of business. The Company does not hold or issue derivate financial instruments for trading purposes to hedge against fluctuations in interest and foreign exchange rates.
 - (i) Interest rate risk
The Company has no exposure to movements in market interest rates.
 - (ii) Credit risk
The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counter parties that are of acceptable credit quality.
The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements.

(8) **Financial Risk (continued)**

(iii) Liquidity risk

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding through advances.

The Company has a cash reserve policy to place approximately 3 – 6 months of operating cash flow in fixed deposits so as to ensure that the Company has sufficient and accessible cash flow for its operational requirements

(iv) Cash flow risk

The Company maintains sufficient level of cash to meet its working capital requirements.

(b) Fair values

The carrying amount of financial assets and liabilities approximate their fair values at the balance sheet date due to their short-term nature