Old Rafflesians' Association

(Registration No: S67SS0003A)

Statement by Board of Members and Financial Statements

Financial Year Ended 31 December 2023

Old Rafflesians' Association (Registration No: S67SS0003A)

Statement by Board of Members and Financial Statements

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Old Rafflesians' Association (Registration No: S67SS0003A)

Statement by Board of Members

In the opinion of the Board of members,

(a) the accompanying income and expenditure account, statement of financial position, statement of changes in accumulated fund, statement of cash flows and notes thereto are drawn up so as to show fairly the financial position of the Old Rafflesians' Association (the "Association") as at 31 December 2023 the financial transactions, changes in accumulated fund and cash flows of the Association for the financial year then ended; and

(b) proper accounts and records of the transactions and affairs of the Association are kept to show and explain all the Association's transactions and to disclose, with reasonable accuracy, the financial position of the Association at any time.

The board of members approved and authorised these financial statements for issue.

On behalf of the Board of Members,

Dennis Foo
President

Soh Gim Teik
Honorary Treasurer

22 March 2024

AccAssurance 锐易
AccAssurance LLP
UEN No: T12LL1249K
104 Prinsep Street
#02-00, Keng Soon Building
Singapore 188653

Independent Auditors' Report
to the Members of Old Rafflesians' Association (Registration No: S67SS0003A)
(Registered under the Societies Act 1966)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Old Rafflesians' Association (the Association), which comprise the statement of financial position as at 31 December 2023, and the income and expenditure account, statement of changes in accumulated fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, of the financial position of the Association as at 31 December 2023 and of the financial transactions, changes in accumulated fund and cash flows of the Association 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 Association 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. The other information comprises the Statement by Board of Members but does not include the financial statements and our auditor's report thereon.

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

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

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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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

(a) 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.

(b) 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 Association's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

(d) 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 Association'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 your 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 Association to cease to continue as a going concern.

(e) 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.

Report on Other Legal and Regulatory Requirements

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

Other Matters

The financial statements for the Association for the financial year ended 31 December 2023 were audited by other independent auditors whose report dated 15 March 2023 expressed an unqualified audit opinion on those financial statements.

AccAssurance LLP

AccAssurance LLP
Public Accountants and Chartered Accountants
Singapore

22 March 2024

Income and Expenditure Account
For the financial year ended 31 December 2023

	Note	2023 $	2022 $ (Reclassed)
Income			
Life membership income amortisation		15,260	17,560
Event income	5	577,098	159,311
Facility booking fee income		24,054	8,074
Sale of souvenirs		221	1,253
Other income	6	6,270	2,392
Total income		622,903	188,590
Less: Expenditure			
Event expenditure	5	(502,521)	(101,625)
Facility booking fee expense		(24,054)	(8,074)
Short term leases		(1,200)	(1,200)
Employee benefits expense	7	234	(50,560)
Secretarial fees		(39,600)	–
Other operating expenses	8	(14,140)	(9,219)
		(581,281)	(170,678)
Surplus before income tax		41,622	17,912
Income tax expense	9	(4,763)	–
Surplus, net of tax, and total comprehensive surplus		36,859	17,912

The accompanying notes form an integral part of these financial statements

Statement of Financial Position
As at 31 December 2023

	Note	2023 $	2022 $ (Reclassed)
ASSETS			
Current assets			
Cash and cash equivalents	10	269,794	191,173
Other receivables	11	2,817	30,265
Other assets	12	2,227	1,780
		274,838	223,218
Non-current assets			
Plant and equipment	13	–	–
Total assets		274,838	223,218
LIABILITIES			
Current liabilities			
Trade and other payables	14	23,241	5,055
Current income tax liabilities		4,763	78
		28,004	5,133
Total liabilities		28,004	5,133
Net assets		246,834	218,085
Funds			
General fund		81,305	44,446
Life membership fund	15	68,170	72,380
Scholarship fund	16	97,259	101,159
ORA Sports fund	17	100	100
		246,834	218,085

The accompanying notes form an integral part of these financial statements

Statement of Changes in Accumulated Fund
For the financial year ended 31 December 2023

	General fund	Life membership fund	Scholarship fund	ORA Sports fund	Total
	$	$	$	$	$
Current Year					
Opening balance at 1 January 2023	44,446	72,380	101,159	100	218,085
Total comprehensive income for the year	36,859	–	–	–	36,859
Subscription for the year	–	11,050	–	–	11,050
Amortisation charged	–	(15,260)	–	–	(15,260)
Utilisation of funds	–	–	(3,900)	–	(3,900)
Closing balance at 31 December 2023	81,305	68,170	97,259	100	246,834
Previous Year					
Opening balance at 1 January 2022	26,534	85,140	101,321	100	213,095
Total comprehensive income for the year	17,912	–	–	–	17,912
Contribution for the year	–	–	4,188	–	4,188
Subscription for the year	–	4,800	–	–	4,800
Amortisation charged	–	(17,560)	–	–	(17,560)
Utilisation of funds	–	–	(4,350)	–	(4,350)
Closing balance at 31 December 2022	44,446	72,380	101,159	100	218,085

The accompanying notes form an integral part of these financial statements

Old Rafflesians' Association (Registration No: S67SS0003A)

Statement of Cash Flows
For the financial year ended 31 December 2023

	2023	2022
	$	$
Cash flows from operating activities		
Surplus before tax	41,622	17,912
Adjustments for:		
Interest income	(5,733)	(1,330)
Operating cash flow before changes in working capital	35,889	16,582
Other receivables	28,608	(29,424)
Other assets	(447)	–
Trade and other payables	18,186	1,735
Net cash flows used in operations	82,236	(11,107)
Income taxes paid	(78)	–
Net cash used in operating activities	82,158	(11,107)
Cash flows from investing activities		
Cash restricted for use over 3 months	(4,580)	(631)
Interest received	4,573	631
Net cash flows from investing activities	(7)	–
Cash flows from financing activities		
Life membership fund	(4,210)	(12,760)
Scholarship fund	(3,900)	(162)
Net cash flow used in financing activities	(8,110)	(12,922)
Cash and Cash Equivalents		
Net decrease in cash and cash equivalents	74,041	(24,029)
Beginning of financial year	10,049	34,078
End of financial year (Note 10)	84,090	10,049

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

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

1. General information

The Old Rafflesians' Association ("Association") is registered under the Societies Act 1966 in Singapore on 23 August 1923. The address of its registered office is 1 Raffles Institution Lane Singapore 575954.

The objective of the Association is to develop and promote a closer relationship between former and present pupils of Raffles Institution and Raffles Girls' School (Secondary) as well as to give pecuniary or other support towards the welfare of the above-mentioned fellowship amongst former pupils of the Schools.

The principal activity of the Association is to organise social events and other activities to promote the objects of the Association.

2. Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollar, which is the Association's functional currency.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Changes and adoption of financial reporting standards

On 1 January 2022, the Association adopted the new or amended FRS and INT FRS that are mandatory for application from that date. Changes to the Association's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in material changes to the Association's policies and did not require any material modification of the measurement methods or the presentation in the financial statements, except for those set out below.

Future changes in financial reporting standards

Certain new or amended FRS and INT FRS have been published and are mandatory for the Association's future financial years and which the Association has not adopted early. None of these is expected to have a material effect on the financial statements of the Association for the following financial year.

2. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised when the Association satisfies a performance obligation (PO) by transferring control of promised goods or services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods or services. The individual standalone selling prices of goods and services that have not been previously sold on a standalone basis or have highly variable selling prices is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable stand-alone selling prices.

The transaction price is the amount of consideration in the contract which the Company expects to be entitled in exchange for the promised goods or services.

In determining the transaction price, the Company considers the effects of:

- *Variable consideration*: The estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with this variable consideration is resolved.

Members' subscription fees: Ordinary life membership subscriptions are amortised over 15 years.

Event income: Income from events are recognised upon completion of the event.

Facility booking fee income: Facility fee booking income is recognised at a point of time, when monies from these booking had been received and these are non-refundable.

Sales of souvenirs: Income from the sale of souvenirs is recognised upon the goods delivered.

Donation income: Donations are recognised upon receipt of the donations.

Interest income: Interest income is recognised on a time apportionment basis.

Government grants: Cash grant received from the government are recognised as income upon receipt. Other government grant related to assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Association will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Association for expense incurred are recognised in profit or loss as 'other income' on a systematic basis in the periods in which the expenses are recognsied, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2. Significant accounting policies (continued)

Foreign currency transactions

Transactions and balances:

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the financial year end are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Employee compensation

Defined contribution plans: Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities, such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in income and expenditure account in the periods during which services are rendered by employees.

Annual leave entitlements: Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the financial year end.

Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in income and expenditure account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable surplus or deficit for the financial year using tax rates enacted or substantively enacted at the financial year end, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial year end.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each financial year end and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits with original maturities of three months or less. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Association's cash management are included in cash and cash equivalents.

Financial assets

Classification and initial recognition:

Financial assets are classified, at initial recognition, as subsequently measured at:
(i) Amortised cost;
(ii) Fair value through other comprehensive income (FVOCI); and
(iii) Fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them.

Contractual cash flow characteristics test: Financial assets are classified and measured at amortised cost or FVOCI, when these give rise to cash flows that are "*solely payments of principal and interest*" (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Business model test: Financial assets classified and measured at amortised cost are held with the objective to hold financial assets to collect contractual cash flows. Financial assets classified and measured at FVOCI are held with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (i.e. the date that the Association commits to purchase or sell the asset).

Subsequent measurement:

(a) *Amortised cost*: Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Association's financial assets at amortised cost includes other receivables classified under current assets, except for those expected to be realised later than 12 months after the financial reporting date which are classified as non-current assets.

(b) *FVOCI – debt instruments*: For debt instruments financial assets at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

At the financial reporting date, there was no financial asset classified in this category.

2. Significant accounting policies (continued)

Financial assets (continued)

Subsequent measurement (continued):

(c) *FVOCI – equity instruments*: Upon initial recognition, equity instruments had been elected to be classified irrevocably as financial assets designed at FVOCI, if these meet the appliable definition under *FRS 32: Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as "other income" in the statement of profit or loss when the right of payment has been established, except when the Association benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

At the financial reporting date, there was no financial asset classified in this category.

(d) *FVTPL*: Financial assets at FVTPL which had not irrevocably elected to classify at FVOCI, are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Dividends are recognised as "other income" in the statement of profit or loss when the right of payment has been established.

At the financial reporting date, there was no financial asset classified in this category.

Impairment:

The Association assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(a) *Simplified approach*: The simplified approach is applied for other receivables, which requires the recognition of a loss allowance at initial recognition of ECL over the remaining lives of the credit exposures, irrespective of the timing of the default (lifetime ECL).
At each financial reporting date, a provision matrix is used to measure loss allowances for ECL and is based on historical credit loss experience, adjusted at each financial reporting date to reflect current and forward-looking specific and macroeconomic factors affecting the ability of the customers to settle.

2. Significant accounting policies (continued)

Financial assets (continued)

Impairment (continued):

(b) *General approach:* The general approach is applied for all other financial assets, which requires the recognition of a loss allowance at initial recognition of ECL that result from default events that are possible within the next 12-months (12-month ECL).

At each financial reporting date, credit risk of financial assets is assessed whether it has increased significantly since initial recognition. This credit risk is based on consideration of reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information, and analysis of historical experience and informed credit assessment of the customers and includes forward-looking information.

(i) *Significant increase in credit risk*: Loss allowances measured at an amount equal to lifetime ECL.

(ii) *No significant increase in credit risk*: Loss allowances measured at an amount equal to 12-month ECL.

Significant credit risk is presumed for those financial assets which are more than 30 days past due. Risk of default is presumed for those financial assets which are more than 90 days past due and the debtors are unlikely to pay their credit obligations to the Association in full, without recourse to security pledged to the Association.

Derecognition:

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Association has transferred substantially all the risks and rewards of the asset, or (b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Association continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Association also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Association has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Association could be required to repay.

2. Significant accounting policies (continued)

Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in income and expenditure account on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

The estimated useful lives for the current and comparative years are as follows:

Office furniture	8 years
Office equipment	5 years
Computers	2 years

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income and expenditure account. Any amount in revaluation reserve relating to that asset is transferred to accumulated fund directly.

Leases

The Association assesses at contract inception whether a contract is or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Association as the lessee:

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Short-term leases and leases of low-value assets:

The Association applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

The existing short-term leases and leases of low value assets are those associated with rental expenses incurred for office.

2. Significant accounting policies (continued)

Impairment of non-financial assets

Plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income and expenditure account, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in income and expenditure account, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to income and expenditure account.

Financial liabilities

Classification and initial recognition:

Financial liabilities are classified, at initial recognition, as:
(i) Fair value through profit or loss (FVTPL); and
(ii) Amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised costs, net of directly attributable transaction costs.

The Association's financial liabilities include trade and other payables and borrowings classified under current liabilities, except for those expected to be realised later than 12 months after the financial reporting date which are classified as non-current liabilities.

2. Significant accounting policies (continued)

Subsequent measurement:

(a) *FVTPL*: At the financial reporting date, there was no financial liability classified in this category.

(b) *Amortised cost*: Financial liabilities that are not held-for-trading or designated as at FVTPL are subsequently measured at amortised cost using the effective interest method (EIR). The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition:

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense. Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

3. Critical judgements, estimates and assumptions

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

4. Related parties

There are no related parties' transaction for the Association during the financial years ended 31 December 2022 and 31 December 2023.

5. Event income and expenditures

	2023 $	2022 $
ORA Golf		
Event income	103,675	95,157
Event expenditure	(72,350)	(61,552)
Net income	31,325	33,605
ORA Dinner		
Event income	473,423	64,154
Event expenditure	(430,171)	(40,073)
Net income	43,252	24,081
	74,577	57,686
Presented in Income and Expenditure Accounts as:		
Event income	577,098	159,311
Event expenditure	(502,521)	(101,625)
	74,577	57,686

6. Other income

	2023 $	2022 $
Interest income	5,733	1,330
Government grants	537	1,062
	6,270	2,392

7. Employee benefits expense

	2023 $	2022 $
Employee benefits expense	–	45,534
Contributions to defined contribution plans[(a)]	(234)	5,026
	(234)	50,560

(a) This amount is negative due to over accrual in the previous financial year.

8. Other operating expense

	2023 $	2022 $
Audit fee	4,125	2,800
Bank charges	274	–
Computer/internet	1,380	1,634
General expenses	4,299	504
Insurance	2,584	2,461
Platform fees	130	–
Postage and stamps	176	150
Printing and stationery	600	894
Telephone expenses	–	776
Transportation costs	572	–
	14,140	9,219

9. Tax expense

Analysis of tax expense:

	2023 $	2022 $
Income tax expense:		
Current year	4,763	–
Total income tax expense	4,763	–

Reconciliation of tax expense:

The income tax on surplus varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2022: 17.0%) to surplus before income tax as a result of the following differences:

	2023 $	2022 $
Surplus before tax	41,622	17,912
Income tax expense at the above rate	7,076	3,045
Non-deductible items	257	(2,818)
Items not subject to income tax	(1,066)	(170)
Tax exemption and corporate tax rebate	(1,504)	–
Others	–	(57)
Total income tax expense	4,763	–

10. Cash and cash equivalents

	2023 $	2022 $
Not restricted in use	84,090	10,049
Cash restricted in use over 3 months	185,704	181,124
	269,794	191,173

The annual interest rate for the interest earning balances are between 1.90% to 3.30% (2022: 0.35% to 3.30%) per annum.

Cash restricted in use over 3 months are fixed deposits with maturity periods more than 3 months.

	2023 $	2022 $
Amounts as shown above	269,794	191,173
Cash restricted in use over 3 months	(185,704)	(181,124)
Cash and cash equivalents in the statement of cash flows	84,090	10,049

11. Other receivables

	2023 $	2022 $
Other receivables	1,657	840
Fixed deposit interest receivable	1,160	–
Deposit	–	29,425
	2,817	30,265

12. Other assets

	2023 $	2022 $
Prepayments	2,227	1,780

13. Plant and equipment

	Office equipment and furniture $	Computer $	Total $
Cost:			
At 1 January 2022 and 31 December 2022	5,630	4,889	10,519
Written off	(5,630)	(4,889)	(10,519)
At 31 December 2023	–	–	–
Accumulated depreciation:			
At 1 January 2022 and 31 December 2022	5,630	4,889	10,519
Written off	(5,630)	(4,889)	(10,519)
At 31 December 2023	–	–	–
Net book value:			
At 1 January 2022, 31 December 2022, and 31 December 2023	–	–	–

At the end of the financial year, the cost of fully depreciated property, plant and equipment of the Association with carrying values of $Nil (2022: $Nil) are still in use.

14. Trade and other payables

	2023 $	2022 $
Trade payables:		
Outside parties and accrued liabilities	23,241	2,800
Other payables:		
CPF payables	–	2,255
Total trade and other payables	23,241	5,055

15. Life Membership Fund

Ordinary life membership funds are one-time subscription fee paid by the life members. The membership subscriptions are amortised over 15 years.

16. Scholarship Fund

The fund represents monies set aside for annual scholarships and awards presented to students of the 2 schools, namely Raffles Institution and Raffles Girls' School (Secondary).

17. ORA Sports Fund

The fund was set up to help defray expense incurred by the ORA sports interest group.

18. Financial risk management

Classification of financial instruments and fair value measurements:

The Association's financial instruments at the financial year end are analysed below.

	2023 $	2022 $
Financial assets		
Cash and cash equivalents	269,794	191,173
Trade and other receivables, at amortised cost	2,817	30,265
	272,611	221,438
Financial liabilities		
Trade and other payables, at amortised cost	23,241	5,055
	23,241	5,055

The carrying amounts of financial assets and financial liabilities at amortised cost are assumed to approximate their fair values. There are no significant fair value measurements recognised in the statement of financial position.

Financial risk factors:

The Association is exposed to credit risk, liquidity risk and interest rate risk in its normal course of its activities. The overall risk management strategy is to minimise any adverse effects from the unpredictability of financial markets on its financial performance.

Risk management framework:

Key management personnel who are the Board of Members of the Association are responsible to develop and monitor the risk management policies. Management has certain practices for the management of financial risks.

However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk, objectives, policies and processes for managing the risk and the methods used to measure the risk.

Credit risk:

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Association's cash and cash equivalents and other receivables.

The carrying amount of financial assets in the statement of financial position represents the Association's maximum exposure to credit risk. The Association does not hold any collateral or obtain any financial guarantee in respect of its financial assets.

18. Financial risk management (continued)

Credit risk (continued):

Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on credit evaluation efforts, and the payment profile and credit exposure of these counterparties are continuously monitored. For bank deposits, credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

For other receivables, management adopts the policy of dealing only with customers of appropriate credit history.

The Association has no significant concentrations of credit risk, as the exposure is spread over a large number of members of the Association.

Management believes that there is no significant impairment issue with the unimpaired amounts that are past due more than 30 days (2021: 30 days), based on the historical payment behaviour of the customers and analysis of customers' credit risk using their credit ratings, if available.

Other receivables are normally with no fixed repayment terms and therefore there is no maturity.

There are no impaired amounts at the end of the financial year.

Liquidity risk:

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management continuously monitors the maturity of financial liabilities against the Association's liquidity reserve comprising of cash and cash equivalents to ensure that there will always be, as far as possible, sufficient liquidity to meet its liabilities when due.

The non-derivative financial liabilities of the Association at the financial year end are analysed below into their relevant maturity groupings. The amounts disclosed below are undiscounted cash flows based on the earliest possible contractual maturity except for those due within 1 year as the impact of discounting is not expected to be significant.

	Less than 1 year $
At 31 December 2023	
Trade and other payables	23,241
At 31 December 2022	
Trade and other payables	5,055

Management does not expect the above cash flows to occur significantly earlier than their maturity groupings or at significantly different amount.

18. Financial risk management (continued)

Interest rate risk:

Interest rate risk is the risk that changes in interest rates will have an adverse effect of the Association's profit and value of its holdings of financial instruments.

The Company is exposed to interest rate risk from fixed deposit. Management does not enter into any arrangements to reduce the interest rate exposure as these are secured at fixed rates.

The interest bearing financial instruments of the Group at the financial year are analysed as follows:

	2023	2022
	$	$
Financial assets		
Fixed rates	185,704	181,124

The effects on pre-tax profit of a sensitivity analysis based on the interest rate variances which management considers to be reasonably possible on the Company's fixed interest rate financial instruments at the financial year end, is not significant.

19. Capital Management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

There is no change to its policy from the previous financial year.

20. Reclassification

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The reclassifications included the following:

	After reclassification	Before reclassification	Difference
	$	$	$
2022 Statement of comprehensive income			
Event income	159,311	57,686	101,625
Event expense	(101,625)	–	(101,625)
Facility booking fee income	8,074	–	8,074
Facility booking fee expense	(8,074)	–	(8,074)
2022 Statement of financial position			
Other receivables	30,265	32,045	(1,780)
Other assets	1,780	–	1,780