

*Directors' Statement and
Audited Financial Statements*

***The Operation Hope Foundation
Limited and its Subsidiaries***

(Co. Reg. No. 200104386W)

For the year ended 31 December 2016

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

General Information

Directors

Kee Chin Swee	
Ong Lin	
Chong Teng Yin	
Koh Bock Cheng	(Appointed on 1 July 2016)
Chew Fook Tim	(Appointed on 1 July 2016)
Ng Min Soon	(Appointed on 8 June 2017)
Ma Hui Hsing	(Resigned on 4 November 2016)
Richard Wee Keng Kwok	(Resigned on 4 November 2016)

Secretary

Sitoh Tuck Meng

Independent Auditor

HLB Atrede LLP

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**Independent Auditor's Report
to the members of The Operation Hope Foundation Limited – continued
(Co. Reg. No. 200104386W)**

Other Information (continued)

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

The directors' responsibilities include overseeing the Group'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.

Independent Auditor's Report
to the members of The Operation Hope Foundation Limited – continued
(Co. Reg. No. 200104386W)

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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
to the members of The Operation Hope Foundation Limited – continued
(Co. Reg. No. 200104386W)**

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the year, the Foundation has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.


HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
15 June 2017

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

Balance Sheets as at 31 December 2016

	Note	Group		Foundation	
		2016	2015	2016	2015
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	4	127,040	127,040	–	–
Investment in subsidiary	5	–	–	9,719	9,719
		<u>127,040</u>	<u>127,040</u>	<u>9,719</u>	<u>9,719</u>
Current assets					
Investment securities	6	628,375	629,150	628,375	629,150
Amount due from subsidiaries	7	–	–	5,978	3,176
Other receivables	8	12,516	71,812	12,516	71,812
Fixed deposits	9	10,000	10,000	10,000	10,000
Cash and cash equivalents	10	527,417	758,084	527,417	758,084
		<u>1,178,308</u>	<u>1,469,046</u>	<u>1,184,286</u>	<u>1,472,222</u>
Current liability					
Other payables	11	10,312	23,806	10,312	20,800
		<u>10,312</u>	<u>23,806</u>	<u>10,312</u>	<u>20,800</u>
Net current assets		<u>1,167,996</u>	<u>1,445,240</u>	<u>1,173,974</u>	<u>1,451,422</u>
Net assets		<u>1,295,036</u>	<u>1,572,280</u>	<u>1,183,693</u>	<u>1,461,141</u>
Financed by:					
Restricted Funds:					
Nepal Building Fund	12	308,549	326,028	308,549	326,028
Nepal Earthquake Rebuilding Fund	13	110,874	184,422	110,874	184,422
Non-Restricted Funds:					
Accumulated surplus		<u>875,613</u>	<u>1,061,830</u>	<u>764,270</u>	<u>950,691</u>
		<u>1,295,036</u>	<u>1,572,280</u>	<u>1,183,693</u>	<u>1,461,141</u>
Members' guarantee					
5 members at \$100 each		<u>500</u>	<u>600</u>	<u>500</u>	<u>600</u>

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

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

Statements of Comprehensive Income for the financial year ended 31 December 2016

	Note	Group		Foundation	
		2016	2015	2016	2015
		\$	\$	\$	\$
Incoming resources	14	1,010,624	1,358,590	1,010,624	1,358,590
Resources expended	15	(793,980)	(995,091)	(793,980)	(995,091)
Net incoming		216,644	363,499	216,644	363,499
Other operating income	16	54,062	36,570	54,062	36,570
Expenditure	17	(457,041)	(302,552)	(455,500)	(300,854)
Other (charges)/credits	18	118	20,683	(1,627)	20,506
Finance cost	19	–	(4,990)	–	(4,990)
(Deficit)/surplus before tax		(186,217)	113,210	(186,421)	114,731
Income tax expense	20	–	–	–	–
(Deficit)/surplus for the year		(186,217)	113,210	(186,421)	114,731
Other comprehensive income		–	–	–	–
Total comprehensive (loss)/ income for the year		(186,217)	113,210	(186,421)	114,731

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

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

Statement of Changes in Funds for the financial year ended 31 December 2016

Group	Nepal Building Funds \$	Nepal Earthquake Rebuilding Funds \$	Accumulated surplus \$	Total \$
Balance as at 1 January 2015	405,260	–	948,620	1,353,880
Fund/donations received during the year	17,000	243,363	–	260,363
Income received during the year	146	–	–	146
Loss on exchange difference	6,139	–	–	6,139
Utilisation of building funds	(102,517)	(58,941)	–	(161,458)
Total comprehensive income for the year	–	–	113,210	113,210
Balance as at 31 December 2015	326,028	184,422	1,061,830	1,572,280
Fund/donations received during the year	130,700	–	–	130,700
Utilisation of building funds	(148,179)	(73,548)	–	(221,727)
Total comprehensive loss for the year	–	–	(186,217)	(186,217)
Balance as at 31 December 2016	308,549	110,874	875,613	1,295,036
Foundation				
Balance as at 1 January 2015	405,260	–	835,960	1,241,220
Fund/donations received during the year	17,000	243,363	–	260,363
Income received during the year	146	–	–	146
Loss on exchange difference	6,139	–	–	6,139
Utilisation of building funds	(102,517)	(58,941)	–	(161,458)
Total comprehensive income for the year	–	–	114,731	114,731
Balance as at 31 December 2015	326,028	184,422	950,691	1,461,141
Fund/donations received during the year	130,700	–	–	130,700
Utilisation of building funds	(148,179)	(73,548)	–	(221,727)
Total comprehensive loss for the year	–	–	(186,421)	(186,421)
Balance as at 31 December 2016	308,549	110,874	764,270	1,183,693

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

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

Consolidated Cash Flow Statement for the financial year ended 31 December 2016

	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus before tax	(186,217)	113,210
Adjustments for:		
Fixed deposit interest income received for Nepal Building Fund	–	146
Donation received for restricted funds – Nepal Building Fund	130,700	17,000
Donation received for restricted funds – Nepal Earthquake Rebuilding Fund	–	243,363
Utilisation of restricted funds – Nepal Building Fund	(148,179)	(102,517)
Utilisation of restricted funds – Nepal Earthquake Rebuilding Fund	(73,548)	(58,941)
Depreciation	–	858
Fair value adjustment on investment securities	775	3,700
Operating (deficit)/surplus before working capital changes	<u>(276,469)</u>	<u>216,819</u>
Decrease/(increase) in other receivables	59,296	(49,922)
Decrease in other payables	(13,494)	(36,070)
Net cash flows (used in)/from operating activities	<u>(230,667)</u>	<u>130,827</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	–	(858)
Purchase of investment securities	–	(369,100)
Net cash flows used in investing activities	<u>–</u>	<u>(369,958)</u>
Net decrease in cash and cash equivalents	(230,667)	(239,131)
Effect of exchange rate changes on cash and cash equivalent	–	6,139
Cash and cash equivalents at beginning of year	<u>758,084</u>	<u>991,076</u>
Cash and cash equivalents at end of year	<u><u>527,417</u></u>	<u><u>758,084</u></u>

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

The Operation Hope Foundation Limited and its Subsidiaries
(Co. Reg. No. 200104386W)

Notes to the Financial Statements – 31 December 2016

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

1. CORPORATE INFORMATION

The Foundation is a company limited by guarantee incorporated and domiciled in Singapore and has no share capital. The Foundation is registered as a charity, under the Charities Act Chapter 37 of Singapore with effect from 7 September 2001.

The registered office of the Foundation is located at 352 Tanglin Road #02-04/05 Singapore 247671.

The Foundation was formed for the purpose of relief of human suffering and advancement of standard of human life and social well being in the Third World countries regardless of religion or race, especially the poor, outcast, homeless, sick and hungry. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

Each member of the Foundation has undertaken to contribute such amounts not exceeding S\$100 to the assets of the foundation in the event the Foundation is wound up and the monies are required for payment of the liabilities of the Foundation. The Foundation has 5 (2015: 6) members at the end of the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet, statement of comprehensive income and statement of changes in equity of the Foundation have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one-dollar as otherwise indicated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Group has adopted all applicable new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not result in any changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

Standards issued but not yet effective

The Group and the Foundation have not adopted the following standards and interpretations which are potentially relevant to the Group and the Foundation that have been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendments to FRS 7: <i>Disclosure Initiative</i>	1 January 2017
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(b) Basis of consolidation and business combinations

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Foundation and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Foundation. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of consolidation and business combinations (continued)

(i) Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(ii) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Basis of consolidation and business combinations (continued)*

(ii) *Business combinations and goodwill (continued)*

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

(c) *Functional and foreign currency*

The management has determined the currency of the primary economic environment in which the Foundation operates i.e. functional currency, to be SGD.

Foreign currency transactions

Transactions in foreign currencies are measured in SGD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(d) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of a property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Property, plant and equipment (continued)*

When significant parts of property, plant and equipment are required to be replaced in intervals, the Foundation recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

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

Computers	–	1 year
Furniture and fittings	–	3 years
Office equipment	–	3 years

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

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

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

(e) *Subsidiary*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Foundation's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provision of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When a financial asset is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial asset.

Subsequent measurement

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

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) *Held-to-maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Financial assets (continued)*

Subsequent measurement (continued)

(iii) *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 the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment losses.

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 had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Impairment of financial assets*

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

(i) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses 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 Group determines that no objective evidence of impairment exists for an individually assessed financial asset, 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. If a loan has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The loss is recognised in the profit or loss.

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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 value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Impairment of financial assets (continued)*

(ii) *Financial assets carried at cost*

If there is objective evidence that an impairment loss on a financial asset carried at cost has been incurred (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) the impairment loss is recognised and 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) *Available-for-sale financial assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

(h) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

When a financial liability is recognised initially, an entity shall measure it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Financial liabilities (continued)*

Subsequent measurement

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

(i) *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) *Financial liabilities at amortised cost*

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 profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(i) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, and demand deposits.

(j) *Funds structure*

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the fund balance in the financial statements are maintained whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds, categorised as restricted and non-restricted fund in accordance with activities or objectives specified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Fund structure (continued)

The costs or expenses incurred to meet the objectives of other funds are written off against the respective funds.

Funds have been set up by the Foundation for specified purposes. Donations are recognised when the Foundation's right to receive payment is established. Approved expenditures are charged directly to the Funds.

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and when 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.

(l) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability 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.

(m) Leases

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Notes to the Financial Statements – 31 December 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Income*

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured regardless of when the payment is made. The following specific recognition criteria must also be met before income is recognised:

(i) *Donation*

Donations are recognised when received.

(ii) *Interest income*

Interest income is recognised using the effective interest method.

(o) *Government grant*

Cash grant received from the government is recognised as income upon receipt.

(p) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Foundation if that person:
 - (i) Has control or joint control over the Foundation;
 - (ii) Has significant influence over the Foundation; or
 - (iii) Is a member of the key management personnel of the Group or Foundation or of a parent of the Foundation.

- (b) An entity is related to the Group and the Foundation if any of the following conditions applies:
 - (i) The entity and the Foundation 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 Foundation or an entity related to the Foundation. If the Foundation is itself such a plan, the sponsoring employers are also related to the Foundation;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

▪ *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 3 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the plant and equipment at the end of each reporting period is disclosed in Note 4 to the financial statements.

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Notes to the Financial Statements – 31 December 2016

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land \$	Computers \$	Furniture and fittings \$	Office equipment \$	Total \$
Cost:					
At 1 January 2015	127,040	3,715	803	720	132,278
Additions	–	858	–	–	858
Written off	–	(3,715)	–	–	(3,715)
At 31 December 2015 and 1 January 2016	127,040	858	803	720	129,421
Written off	–	(858)	–	–	(858)
At 31 December 2016	127,040	–	803	720	128,563
Accumulated depreciation:					
At 1 January 2015	–	3,715	803	720	5,238
Charge for the year	–	858	–	–	858
Written off	–	(3,715)	–	–	(3,715)
At 31 December 2015 and 1 January 2016	–	858	803	720	2,381
Written off	–	(858)	–	–	(858)
At 31 December 2016	–	–	803	720	1,523
Net carrying amount:					
At 31 December 2015	127,040	–	–	–	127,040
At 31 December 2016	127,040	–	–	–	127,040

Foundation	Computers \$	Furniture and fittings \$	Office equipment \$	Total \$
Cost:				
At 1 January 2015	3,715	803	720	5,238
Additions	858	–	–	858
Written off	(3,715)	(803)	(720)	(5,238)
At 31 December 2015 and 1 January 2016	858	–	–	858
Written off	(858)	–	–	(858)
At 31 December 2016	–	–	–	–
Accumulated depreciation:				
At 1 January 2015	3,715	803	720	5,238
Charge for the year	858	–	–	858
Written off	(3,715)	(803)	(720)	(5,238)
At 31 December 2015 and 1 January 2016	858	–	–	858
Written off	(858)	–	–	(858)
At 31 December 2016	–	–	–	–
Net carrying amount:				
At 31 December 2015	–	–	–	–
At 31 December 2016	–	–	–	–

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Notes to the Financial Statements – 31 December 2016

5. INVESTMENT IN SUBSIDIARIES

	Foundation	
	2016	2015
	\$	\$
Unquoted equity shares, at cost	<u>9,719</u>	<u>9,719</u>

Details of the subsidiaries as at 31 December 2016 are as follows:

Name and principal activities	Country of incorporation	Cost of investments		Percentage of equity held	
		2016	2015	2016	2015
		\$	\$	%	%
Hope Holding Co. Ltd *					
(Land holding)	Cambodia	9,718	9,718	100	100
OHF Enterprises Pte. Ltd. #					
(Investment holding)	Singapore	<u>1</u>	<u>1</u>	100	100
		<u>9,719</u>	<u>9,719</u>		

* Not required to be audited by law in the country of incorporation.

Exempted from audit.

6. INVESTMENT SECURITIES

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Held for trading investment:</i>				
Quoted perpetual preference shares	<u>628,375</u>	<u>629,150</u>	<u>628,375</u>	<u>629,150</u>
	<u>628,375</u>	<u>629,150</u>	<u>628,375</u>	<u>629,150</u>

7. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due are non-trade related, unsecured, interest-free, repayable upon demand and to be settled in cash.

8. OTHER RECEIVABLES

Deposits	6,576	7,296	6,576	7,296
Prepayments	5,880	64,516	5,880	64,516
Sundry receivables	60	-	60	-
	<u>12,516</u>	<u>71,812</u>	<u>12,516</u>	<u>71,812</u>

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9. FIXED DEPOSITS

Fixed deposits are made for period of 12 months and earn interest of 0.25% (2015: 0.25%) per annum. The fixed deposit was pledged to the bank as a security for the bank facilities.

10. CASH AND CASH EQUIVALENTS

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash and bank balances	362,347	521,600	362,347	521,600
Short-term deposits	<u>165,070</u>	<u>236,484</u>	<u>165,070</u>	<u>236,484</u>
Cash and cash equivalents as stated in cash flow	<u>527,417</u>	<u>758,084</u>	<u>527,417</u>	<u>758,084</u>

Short-term deposits are made for a varying periods of between one month to three months depending on the immediate cash requirements of the Foundation, and earn interest rates ranging from 0.4% to 0.5% (2015: 0.05%) per annum.

Included in cash and cash equivalents is an amount of \$274,672 (2015: \$416,430) is denominated in United States Dollar.

The above includes balances earmarked for:

Nepal Building Funds	195,050	326,028	195,050	326,028
Nepal Earthquake Rebuilding Funds	<u>100,952</u>	<u>184,422</u>	<u>100,952</u>	<u>184,422</u>
	<u>296,002</u>	<u>510,450</u>	<u>296,002</u>	<u>510,450</u>

11. OTHER PAYABLES

Accrual liabilities	9,512	16,855	9,512	16,855
Advance receipts	800	3,945	800	3,945
Sundry payables	–	3,006	–	–
	<u>10,312</u>	<u>23,806</u>	<u>10,312</u>	<u>20,800</u>

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12. NEPAL BUILDING FUNDS

The fund was established for the purpose of building a children's home in Nepal.

The movement in Nepal Building Funds as follows:

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
Balance at beginning of year	326,028	405,260	326,028	405,260
Fund/donations received	130,700	17,000	130,700	17,000
Income received	–	146	–	146
Loss on exchange difference	–	6,139	–	6,139
Utilisation of building funds	<u>(148,179)</u>	<u>(102,517)</u>	<u>(148,179)</u>	<u>(102,517)</u>
Balance as at end of the year	<u>308,549</u>	<u>326,028</u>	<u>308,549</u>	<u>326,028</u>

Represented as follows:

Bank balances	87,909	169,707	87,909	169,707
Fixed deposits	<u>107,141</u>	<u>156,321</u>	<u>107,141</u>	<u>156,321</u>
	<u>195,050</u>	<u>326,028</u>	<u>195,050</u>	<u>326,028</u>

13. NEPAL EARTHQUAKE REBUILDING FUNDS

The fund was established for the purpose of Nepal Earthquake.

The movement in Nepal Earthquake Rebuilding Funds as follows:

Balance at beginning of year	184,422	–	184,422	–
Fund/donations received	–	243,363	–	243,363
Utilisation of building funds	<u>(73,548)</u>	<u>(58,941)</u>	<u>(73,548)</u>	<u>(58,941)</u>
Balance as at end of the year	<u>110,874</u>	<u>184,422</u>	<u>110,874</u>	<u>184,422</u>

Represented as follows:

Bank balances	43,023	184,422	43,023	184,422
Fixed deposits	<u>57,929</u>	<u>–</u>	<u>57,929</u>	<u>–</u>
	<u>100,952</u>	<u>184,422</u>	<u>100,952</u>	<u>184,422</u>

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14. INCOMING RESOURCES

	Group and Foundation	
	2016	2015
	\$	\$
Community Development	149,997	269,026
Child sponsorship	254,015	287,699
Volunteers	166,033	169,503
Skills	57,975	430,000
Country donations	33,746	146,320
General donations	344,655	54,752
Donation – books and others	4,203	1,290
	<u>1,010,624</u>	<u>1,358,590</u>

The donations were received to support the establishment and on-going operations of the Foundation's poverty alleviation programmes in the respective countries as follows:

General	399,053	56,042
Cambodia	379,108	652,228
Thailand	132,756	594,580
Nepal	99,707	55,740
	<u>1,010,624</u>	<u>1,358,590</u>

15. RESOURCES EXPENDED

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
Donation for orphanage in Nepal	81,257	38,255	81,257	38,255
Subvention payment support for projects in Cambodia	414,472	501,041	414,472	501,041
Subvention payment support for projects in Thailand	298,251	455,795	298,251	455,795
	<u>793,980</u>	<u>995,091</u>	<u>793,980</u>	<u>995,091</u>

16. OTHER OPERATING INCOME

Dividend income from perpetual preference shares	17,899	11,758	17,899	11,758
Government grant:				
– Special employment credit	3,125	2,679	3,125	2,679
– Job credit scheme	17,955	9,296	17,955	9,296
– Temporary employment credit	2,799	1,047	2,799	1,047
Interest income:				
– Fixed deposit	502	40	502	40
– Perpetual preference shares	11,782	11,750	11,782	11,750
	<u>54,062</u>	<u>36,570</u>	<u>54,062</u>	<u>36,570</u>

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17. EXPENDITURE

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
Accounting fee	2,400	1,200	2,400	1,200
Advertisement fee	15,600	1,507	15,600	1,507
Auditor's remuneration				
– current year	4,560	4,000	4,560	4,000
– prior year	–	280	–	280
Bank charges	4,106	4,854	4,106	4,854
Central provident fund	47,543	34,048	47,543	34,048
Computer expenses	20,641	596	20,641	596
Depreciation	–	858	–	858
Filing fee	1,541	1,521	–	–
General expenses	3,106	9,553	3,106	9,553
Insurance	2,989	1,709	2,989	1,709
Medical fee	808	931	808	931
Postage and courier	2,669	634	2,669	634
Printing and stationery	4,870	1,585	4,870	1,485
Professional fee	7,065	–	7,065	–
Rental – office	27,375	1,251	27,375	1,251
Repair and maintenance	759	1,034	759	1,034
Salaries and bonus	292,537	223,686	292,537	223,686
Secretarial fee	760	677	760	600
Skill development fund	709	520	709	520
Telecommunication	2,086	686	2,086	686
Transportation	1,950	3,245	1,950	3,245
Travelling	11,519	8,177	11,519	8,177
Utilities	1,448	–	1,448	–
	<u>457,041</u>	<u>302,552</u>	<u>455,500</u>	<u>300,854</u>

18. OTHER (CHARGES)/CREDITS

Fair value adjustment on security investments	(775)	(3,700)	(775)	(3,700)
Foreign exchange adjustments, gain	893	24,383	914	24,206
Waiver of amount due from subsidiary	–	–	(1,766)	–
	<u>118</u>	<u>20,683</u>	<u>(1,627)</u>	<u>20,506</u>

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19. FINANCE COST

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
Interest expenses on bond	<u>–</u>	<u>4,990</u>	<u>–</u>	<u>4,990</u>

20. INCOME TAX EXPENSE

The Foundation is a non-profit organisation registered with the Commissioner of Charities under the Charities Act 1994. The Foundation enjoys automatic income tax exemption, effectively from Year of Assessment 2008.

21. EMPLOYEE BENEFITS

	Group	
	2016	2015
	\$	\$
Salaries and other benefits	292,537	223,686
Central provident fund	47,543	34,048
	<u>340,080</u>	<u>257,734</u>

22. OPERATING LEASE COMMITMENTS

The Group has entered into commercial leases mainly on office premises. These leases have an average tenure of 2 years with no renewal option or contingent rent provision included in the contracts. There is no restriction placed upon the Group by entering into these leases.

Future minimum rental payable under non-cancellable leases as at the end of reporting period are as follows:

	Group and Foundation	
	2016	2015
	\$	\$
Not later than one year	18,599	20,290
Later than one year but not later than five years	–	18,599
	<u>18,599</u>	<u>38,889</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2016 amounted to \$27,375 (2015: \$1,251).

23. RELATED PARTY DISCLOSURES

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

(i) *Significant related party transactions*

	Group	
	2016	2015
	\$	\$
Subvention payment-support for projects in Cambodia	414,472	501,041
Subvention payment support for projects in Thailand	298,251	455,794

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, credit risk and market risk. The Group's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Group. The Group does not have any written financial risk management policies and guidelines and there has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) *Foreign currency risk*

The Group's exposure to currency risk arises from its foreign subsidiary. The Group does not use forward exchange contracts or purchase currency options for trading purposes.

As at the end of the reporting period, the Group foreign currency exposures are insignificant. Accordingly, the foreign exchange sensitivity analysis is not prepared.

(ii) *Credit risk*

Credit risk arises from the inability of its subsidiary and third party to meet the terms of the Group's financial instrument contracts.

▪ *Exposure to credit risk*

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet. No other financial assets carry a significant exposure to credit risk.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) *Credit risk (continued)*

▪ *Credit risk concentration profile*

There is no significant concentration of credit risk as at end of reporting period.

▪ *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

(iii) *Market risk*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted in the SGX-ST in Singapore, and are classified as fair value through profit or loss.

Sensitivity analysis for equity price risk

The sensitivity analysis below is based on the assumption that a change of market prices by 10% (2015: 10%) in the underlying quoted equities at the reporting date would increase/decrease profit before taxation by the following amounts. This analysis assumes that all other variables remain constant.

	Profit before tax	
	10% Increase	10% Decrease
Quoted perpetual preference shares	\$	\$
2016	62,837	(62,837)
2015	62,915	(62,915)

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25. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 39 categories.

	Group		Foundation	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Financial assets at fair value through profit or loss</i>				
Investment securities	<u>628,375</u>	<u>629,150</u>	<u>628,375</u>	<u>629,150</u>
<i>Loans and receivables</i>				
Other receivables	6,636	7,296	6,636	7,296
Amount due from subsidiaries	–	–	5,978	3,176
Fixed deposits	10,000	10,000	10,000	10,000
Cash and cash equivalents	<u>527,417</u>	<u>758,084</u>	<u>527,417</u>	<u>758,084</u>
	<u>544,053</u>	<u>775,380</u>	<u>550,031</u>	<u>778,556</u>
<i>Financial liabilities at amortised cost</i>				
Other payables	<u>10,312</u>	<u>23,806</u>	<u>10,312</u>	<u>20,800</u>

26. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(i) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted prices in active markets for identical instruments (Level 1) \$
Financial asset:	
<i>Financial assets at fair value through profit or loss</i>	
Quoted perpetual preference shares	<u>628,375</u>
At 31 December 2016	<u>628,375</u>

25. FAIR VALUE OF ASSETS AND LIABILITIES (continued)

(i) *Fair value of financial instruments that are carried at fair value (continued)*

Fair value hierarchy

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(i) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonably approximation of fair value*

The carrying amounts of the following financial assets and liabilities approximate their fair value due to their short term nature: other receivables, cash and cash equivalents and other payables.

27. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 15 June 2017.