

METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

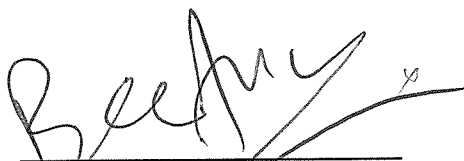

ACCOUNTS - 31 DECEMBER 2018

METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION  
(UEN S61SS0081H)

STATEMENT BY THE MANAGEMENT COMMITTEE

We, being two members of the Management Committee of Methodist Girls' School Alumnae Association, state that in the opinion of the Management Committee, the accompanying Statement of Financial Position, Statement of Changes in Fund, Statement of Receipts & Disbursements, Statement of Cash Flows, together with the notes thereon, are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and the Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Association as at 31 December 2018 and its financial performance, changes in funds and cash flows for the year then ended.

On behalf of the Management Committee

  
Koh Bee Ann  
President  
Claire Tan  
Honorary Treasurer

Singapore, 27 March 2019

T11111819B

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chartered accountants*545 Orchard Road #11-07  
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE  
METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Methodist Girls' School Alumnae Association, which comprise the statement of financial position as at 31 December 2018, the statements of receipts & disbursements, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap.311 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Association as at 31 December 2018, and of the financial performance, changes in funds and cash flows of the Association for the year then ended.

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 Auditors' 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 the Management committee.

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

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

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

INDEPENDENT AUDITORS' REPORT FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2018Management's Responsibilities 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 Societies Act, Cap. 311 and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

The management's responsibilities include overseeing the Association's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION


INDEPENDENT AUDITORS' REPORT FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2018

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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, Cap. 311 to be kept by the Association have been properly kept in accordance with those regulations.



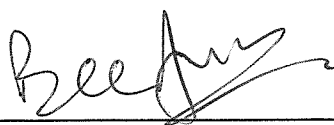
S.H.ONG LLP  
PUBLIC ACCOUNTANTS and  
CHARTERED ACCOUNTANTS  
SINGAPORE

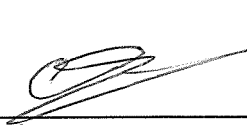
## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
NON-CURRENT ASSETS			
Plant & equipment	3	277,195	348,940
INTANGIBLE ASSET			
Web Development	4	14,000	-
CURRENT ASSETS			
Stocks	2g	16,956	8,363
Deposits	5	31,500	31,500
Prepayments		1,158	1,159
Fixed deposits		110,454	110,302
Bank balances		442,563	411,800
		602,631	563,124
TOTAL ASSETS			
		893,826	912,064
FUNDS AND LIABILITIES			
MEMBERS' FUNDS			
Accumulated Fund		630,091	650,684
M.E. Lau Scholarship Fund	6	19,908	19,871
Tan Ley Chee Scholarship Fund	7	49,586	49,494
Tan Ley Chee Award Fund	8	14,345	14,519
MGS Alumnae Association Award Fund (Ellice Handy Medal)	9	12,528	12,904
Ruth Wong Award Fund	10	14,765	14,738
Wong Hee Hua Award Fund	11	14,712	14,884
		755,935	777,094
CURRENT LIABILITIES			
Accruals & other liability		137,891	134,970
		137,891	134,970
TOTAL FUNDS AND LIABILITIES			
		893,826	912,064

On behalf of the Management Committee

  
 Koh Bee Ann  
 President

  
 Claire Tan  
 Honorary Treasurer

See Accompanying Notes

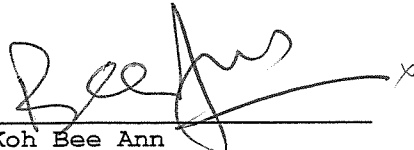



## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## STATEMENT OF RECEIPTS &amp; DISBURSEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
RECEIPTS			
Life membership subscriptions		55,000	37,750
Administrative fees		-	7,050
Founder's Day dinner		82,290	87,000
Special functions	13	34,398	112,502
Donations - Heritage Centre		10,000	97,340
Interest income		152	151
		<u>181,840</u>	<u>341,793</u>
DISBURSEMENTS			
Alumnae Day expenses		496	-
Alumnae room maintenance		970	-
Founder's Day Dinner		80,500	94,147
Heritage expenses		-	19,809
Special functions	13	36,604	64,224
Awards & Medals		2,603	5,860
Bank charges		133	130
Depreciation		76,305	32,201
Postage - current year		1,235	1,777
Printing & stationery		1,927	2,647
Miscellaneous expenses		1,644	705
		<u>202,417</u>	<u>221,500</u>
(Deficit)/Surplus for the year before taxation		( 20,577)	120,293
Taxation - prior year	14	( 16)	( 17)
(DEFICIT)/SURPLUS FOR THE YEAR AFTER TAXATION		<u>( 20,593)</u>	<u>120,276</u>

On behalf of the Management Committee

  
 Koh Bee Ann  
 President

  
 Claire Tan  
 Honorary Treasurer

See Accompanying Notes



## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Operating activities :		
(Deficit)/Surplus for the year before taxation (	20,577)	120,293
Adjust for :		
Depreciation	76,305	32,201
Operating surplus before working funds changes	55,728	152,494
Add/(Less) changes in working funds:		
Stocks	( 8,593)	3,270
Other receivables	1	12,594
Other payables	2,921	( 18,601)
Cash generated from Operating Activities	50,057	149,757
Tax paid	( 16)	( 17)
Net cash from Operating Activities	50,041	149,740
Investing Activities:		
Interest income	234	235
Purchase of Plant & equipment	( 4,560)	( 84,609)
Cost of Web development	( 14,000)	-
Net cash used in Investing Activities	( 18,326)	( 84,374)
Funding Activities:		
Net changes in funds	( 800)	( 1,000)
Net cash used in Funding Activities	( 800)	( 1,000)
Cash and cash equivalents :		
Net change	30,915	64,366
At beginning of year	522,102	457,736
At end of year (note 12)	553,017	522,102

See Accompanying Notes

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

These notes form an integral part of the financial statements.

## 1. GENERAL

The Methodist Girls' School Alumnae Association was registered under the Societies Act Cap. 311 in the Republic of Singapore on 15 May 1961. The registered office is at 11 Blackmore Drive, Singapore 599986.

The principal activities of the Association are to maintain contact between the Methodist Girls School and her former pupils and staff and to develop the team spirit of loyalty and love for the Alumnae.

The board of the Management Committee authorized these financial statements for issue on the date of the Statement by the Management Committee.

## 2. SIGNIFICANT ACCOUNTING POLICIES

## (a) Basis of Preparation

The financial statements, expressed in Singapore Dollars, which is also its functional currency have been prepared in accordance with the provisions of the Societies Act, Cap. 311, Singapore Financial Reporting Standards (FRS) and under the historical cost convention. The accounting policies applied by the Association are consistent with those used in the previous financial year.

## (b) Accounting estimates

The preparation of financial statements in conformity with FRS requires management's best ability and knowledge to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Such judgement, estimates and assumptions are assessed on an on going basis and are based on current events, historical experience and other apparent factors under the circumstances. Actual results may differ from those estimates and assumptions which the Association makes concerning the future.

## (c) Changes in accounting policies

The Association adopted all the new and revised FRS that are applicable and relevant to its operations and effective for this financial year. The adoption of new/revised FRS has no material impact on the financial statements. Preliminary assessment of FRS which have been issued but not effective indicates that these will have no material financial impact on the financial statements.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (d) Standards issued but not yet effective  
The Association has not adopted the following standard that has been issued but not yet effective :

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 116 Leases	1 January 2019

The management expects that the adoption of the above standard will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below:

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 Leases and its associated interpretative guidance. The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer. Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS17.

- (e) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives as follows :

Renovation 10 years

Fully depreciated assets are retained in the accounts until they are no longer in use. The useful lives and depreciation method are reviewed annually to ensure that these are consistent with the pattern of economic benefits provided by the assets. Annual reviews are carried out by the management to assess whether any plant and equipment is impaired and needs to be revalued to the recoverable amount.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

## (f) Intangible Asset

Web development is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life of 3 to 5 years.

Annual reviews are carried out by the management to assess whether the intangible asset is impaired and needs to be revalued to the recoverable amount.

## (g) Stocks

Stocks consisting of umbrellas, collar pins, T-shirts and caps valued on a first in first out basis are stated at the lower of cost and net realisable value. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items

## (h) Payables and Provisions

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Past events are reviewed to ascertain whether provisions are required and to recognise such obligations in the financial statements if these can be estimated reliably.

## (i) Funds Accounting

Monies received for specific purposes, including transfers from the Accumulated fund, are credited directly to the respective fund accounts. Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Assets and liabilities of the specific funds are pooled in the statement of financial position.

## (j) Recognition of Income and Expenditure

Income and expenditure are recognised on the accrual basis. Donations are recorded when received. Interest income is recognised using the effective interest method.

## (k) Income Taxes

Income derived from sources such as interest from fixed deposit accounts, are subject to tax in the name of the Association. The rate of tax are those under part B of schedule 2 of the Income Tax Act.

## (l) Cash and cash equivalents

These comprise fixed deposits and bank balances excluding any bank overdraft and pledged bank deposit used for financing activities.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 3. PLANT &amp; EQUIPMENT

	Renovation	
	2018	2017
	\$	\$
COST		
At beginning of year	381,141	296,532
Addition	4,560	84,609
At end of year	<u>385,701</u>	<u>381,141</u>
DEPRECIATION		
At beginning of year	32,201	-
Addition	76,305	32,201
At end of year	<u>108,506</u>	<u>32,201</u>
NET BOOK VALUE		
At end of year	<u>277,195</u>	<u>348,940</u>

## 4. INTANGIBLE ASSET

	Web Development	
	2018	2017
	\$	\$
COST		
At beginning of year	-	-
Addition	14,000	-
At end of year	<u>14,000</u>	<u>-</u>
DEPRECIATION		
At beginning of year	-	-
Addition	-	-
At end of year	<u>-</u>	<u>-</u>
NET BOOK VALUE		
At end of year	<u>14,000</u>	<u>-</u>

No depreciation is provided on Web Development during the year as it is not in used yet.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 5. DEPOSITS

These are advance deposits for 2019 MGS Founder's Day Dinner event.

## 6. M.E. LAU SCHOLARSHIP FUND

M.E. Lau Scholarship Fund was established with the aim of helping needy students to further their studies.

## 7. TAN LEY CHEE SCHOLARSHIP FUND

Tan Ley Chee Scholarship Fund was established in memory of the late Mrs Tan Ley Chee to award scholarships to deserving students for higher studies.

## 8. TAN LEY CHEE AWARD FUND

Tan Ley Chee Award Fund was established in memory of the late Mrs Tan Ley Chee. The Fund awards annually a Tan Ley Chee Medal to the best all-round students.

9. MGS ALUMNAE ASSOCIATION AWARD FUND  
(ELLICE HANDY MEDAL)

M.G.S Alumnae Association Award Fund (Ellice Handy Medal) is awarded each year to the school's top student in the General Certificate of Education 'O' Level Examination.

## 10. RUTH WONG AWARD FUND

Ruth Wong Award Fund was established in memory of the late Dr Ruth Wong. The Fund awards annually a Ruth Wong medal to the best all-round Primary School Leaving Examination (PSLE) student.

## 11. WONG HEE HUA AWARD FUND

Wong Hee Hua Award Fund was established in memory of the late Ms Wong Hee Hua. The Fund awards annually a Wong Hee Hua medal to the best student in music.

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 12. CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Bank Balances	442,563	411,800
Fixed deposits	110,454	110,302
	<u>553,017</u>	<u>522,102</u>

At the reporting date, the interest rate for these deposits is at 0.6% to 0.8% (2017:0.35%) per annum.

## 13. SPECIAL FUNCTIONS

	2018	2017
	\$	\$
Receipts :		
Teachers' Day contribution	17,940	19,128
Love MGS Donations	4,400	11,607
Sale of souvenirs	12,058	48,789
P6 Homecoming	-	3,000
Fun Fair	-	26,280
Thanksgiving service	-	3,698
	<u>34,398</u>	<u>112,502</u>
Disbursements :		
Teachers' Day	( 15,540)	( 17,178)
Love MGS	( 9,887)	( 10,414)
Cost of souvenirs sold	( 7,722)	( 22,050)
P6 Reunion/Youth Chapter/Past vs Present	( 203)	( 3,863)
Fun Fair	-	( 5,761)
Thanksgiving service	-	( 4,958)
Other special functions	( 3,252)	-
	<u>( 36,604)</u>	<u>( 64,224)</u>
Surplus/(deficit) from special functions	<u>( 2,206)</u>	<u>48,278</u>

## 14. INCOME TAX EXPENSES

Income tax is based on income assessed under Section 10(1)(d) of the Income Tax Act and is taxed at corporate tax rate of 17% (2017 : 17%).

## METHODIST GIRLS' SCHOOL ALUMNAE ASSOCIATION

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2018

## 15. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to minimal financial risks. The Management Committee has oversight to the overall risk management of the Association. The policies for managing these risks are briefly as follows :

## (a) Liquidity Risk

The Association monitors and maintains a level of cash and cash equivalents deemed adequate by the Management Committee to finance its operations and mitigate the effects of fluctuations in cash flows. The Association has no significant liquidity risk.

## (b) Interest Rate Risk

The Association has no significant exposure to market risk for changes in interest rates.

## 16. FUND MANAGEMENT

The Association's funds are managed so as to maintain adequate working funds for the development of its principal activities over the longer term through significant support in the form of subscriptions and donations. No changes were made in objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017.

## 17. FAIR VALUES

The fair values of the current financial assets and financial liabilities in the statement of financial position approximate their carrying values due to their short-term nature.