PROVIDENCE CARE LIMITED
(Co. Reg. No. 200710144K)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2019

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PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 30 June 2019.

In the opinion of the directors:

(i) the financial statements as set out on pages 5 to 17 are properly drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2019 and of the financial performance, changes in general fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and

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

Directors

The directors in office at the date of this statement are:

Lau Cho Cham
Ong Ah Hian
Theng Cheow Soon
Lim Chye Kee
Lau Suan Boon (Appointed on 18 April 2019)

Arrangements to enable directors to acquire benefits

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

Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debenture, dividends or share options are not applicable.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Theng Cheow Soon
Director

Lau Cho Cham
Director

16 September 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Providence Care Limited (the "Company") as set out on pages 5 to 17, which comprise the balance sheet as at 30 June 2019, and the statement of comprehensive income, statement of changes in general fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 June 2019 and of the financial performance, changes in general fund and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 1 and the information included in the Annual Report for the financial year 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 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.

Baker Tilly TFW LLP (trading as Baker Tilly) is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly TFW LLP (Registration No.T10LL1485G) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVIDENCE CARE LIMITED (cont'd)
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements (cont'd)

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, Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

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

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

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

16 September 2019

PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2019

	Note	2019 $	2018 $
Income			
Contributions from Providence Presbyterian Church		**300,000**	336,835
Tuition fees		**35,805**	55,015
Government grants		**1,333**	4,250
		337,138	396,100
Less expenditure			
Contributions to Providence Care Centre		**240,000**	180,000
Depreciation of property, plant and equipment	3	**797**	1,135
Rental of premises		**2,699**	47,115
Staff salaries and related costs		**45,792**	67,808
Employer's CPF contribution for staff		**5,571**	8,124
Termination benefits		**12,150**	–
Tutor's fees		**42,595**	60,668
Other expenses		**21,056**	37,806
		370,660	402,656
Deficit and total comprehensive loss for the financial year		**(33,522)**	(6,556)

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

PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

BALANCE SHEET
As at 30 June 2019

	Note	2019 $	2018 $
Non-current asset			
Property, plant and equipment	3	**1,221**	2,018
Current assets			
Other receivables	4	**15,571**	14,005
Cash and bank balances		**35,846**	60,067
		51,417	74,072
Total assets		**52,638**	76,090
Current liability			
Other payables	5	**22,902**	12,832
Net assets		**29,736**	63,258
General fund		**29,736**	63,258

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

PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

STATEMENT OF CHANGES IN GENERAL FUND
For the financial year ended 30 June 2019

	$
Balance at 1 July 2017	69,814
Deficit and total comprehensive loss for the financial year	(6,556)
Balance at 30 June 2018	63,258
Deficit and total comprehensive loss for the financial year	(33,522)
Balance at 30 June 2019	**29,736**

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

PROVIDENCE CARE LIMITED
(A company limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2019

	2019 $	2018 $
Cash flows from operating activities		
Deficit for the financial year	**(33,522)**	(6,556)
Adjustments for:		
Depreciation of property, plant and equipment	**797**	1,135
Loss on disposal of property, plant and equipment	**–**	2,404
Operating cash flows before working capital change	**(32,725)**	(3,017)
Receivables	**(1,566)**	11,803
Payables	**10,070**	(1,901)
Net cash (used in)/generated from operating activities	**(24,221)**	6,885
Cash flows from investing activity		
Proceed from disposal of property, plant and equipment, representing net cash generated from investing activity	**–**	300
Net (decrease)/increase in cash and cash equivalents	**(24,221)**	7,185
Cash and cash equivalents at the beginning of the financial year	**60,067**	52,882
Cash and cash equivalents at the end of the financial year	**35,846**	60,067

Cash and cash equivalents comprise cash and bank balances as shown on the balance sheet.

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

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

1 Corporate information

The Company (Co. Reg. No. 200710144K) is registered and domiciled in Singapore. The registered office of the Company is at 3 Orchard Road, Singapore 238825.

The principal activities of the Company are to provide tuition support services and counselling to needy individuals, families and members of the public.

In accordance with the Memorandum of Articles of Association, each member of the Company has undertaken to contribute such amount not exceeding $1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, presented in Singapore dollar ("$"), which is the functional currency of the Company, have been prepared in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of cash and bank balances, other receivables and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements of the Company except for updates made to the accounting policy of financial assets [Note 2(i)] and changes in classification of the Company's financial assets effective from 1 July 2018 (Note 9) as required by FRS 109 *Financial Instruments*.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 30 June 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

(b) Income recognition

Tuition fees

The Company provides tuition services to primary and secondary school children. The Company has the right to tuition fees (including other related fees) from its students in an amount that corresponds directly with the provision of tuition services and other incidental services on a monthly basis. Accordingly, tuition fees are recognised on a monthly basis.

Donations and contributions

Donations and contributions income are recognised when received.

(c) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2 Summary of significant accounting policies (cont'd)

(d) Property, plant and equipment

Property, plant and equipment are initially recgnised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. Depreciation is charged by equal annual instalments in accordance with a schedule of rates which are calculated to allocate the depreciable amount of assets over their estimated useful lives as follows:

	Years
Furniture and fittings	5
Electrical installation	5

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in surplus or deficit when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(e) Employee benefits

Defined contribution plans

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(f) Taxation

The Company is registered as a Charity with effect from 6 March 2015 under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134.

(g) Operating lease

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Summary of significant accounting policies (cont'd)

(h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in surplus or deficit. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

(i) Financial assets

The accounting policy for financial assets before 1 July 2018 are as follows:

The Company's only financial assets are "loans and receivables". The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "other receivables (excluding prepayment)" and "cash and bank balances" on the balance sheet.

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method, less impairment. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in surplus or deficit.

The accounting policy for financial assets from 1 July 2018 onwards are as follows:

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in surplus or deficit.

2 Summary of significant accounting policies (cont'd)

(i) Financial assets (cont'd)

The accounting policy for financial assets from 1 July 2018 onwards are as follows (cont'd):

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company classifies its financial assets based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's only financial assets are classified at amortised cost which comprise cash and bank balances and other receivables (excluding prepayments).

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(j) Financial liabilities

Financial liabilities, which comprises of other payables (excluding contract liabilities/tuition fee received in advance) are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2 Summary of significant accounting policies (cont'd)

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as financial cost in profit or loss.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise bank balance with financial institutions that is readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3 Property, plant and equipment

	Furniture and fittings $	Electrical installation $	Total $
2019			
Cost			
At 1 July 2018 and 30 June 2019	**1,665**	**2,320**	**3,985**
Accumulated depreciation			
At 1 July 2018	777	1,190	1,967
Depreciation charge	333	464	797
At 30 June 2019	**1,110**	**1,654**	**2,764**
Net carrying value			
At 30 June 2019	**555**	**666**	**1,221**
2018			
Cost			
At 1 July 2017	2,303	11,201	13,504
Disposals	(638)	(8,881)	(9,519)
At 30 June 2018	1,665	2,320	3,985
Accumulated depreciation			
At 1 July 2017	1,082	6,565	7,647
Depreciation charge	333	802	1,135
Disposals	(638)	(6,177)	(6,815)
At 30 June 2018	777	1,190	1,967
Net carrying value			
At 30 June 2018	888	1,130	2,018

4 Other receivables

	2019	2018
	$	$
Amount due from Providence Care Centre	**15,150**	13,640
Deposits	**95**	–
Prepayments	**326**	365
	15,571	14,005

5 Other payables

	2019	2018
	$	$
Contract liabilities/tuition fee received in advance	**40**	310
Refundable deposit	**3,570**	4,020
Termination benefits	**12,150**	–
Accruals	**7,142**	8,502
	22,902	12,832

Contract liabilities/tuition fee received in advance represents tuition fees collected in advance for class to be conducted/completed after year-end. Contract liabilities is recognised as revenue as (or when) the Company satisfies the performance obligations under its contracts.

6 Holding entity

By virtue that Providence Presbyterian Church ("PPC") has power to govern the financial and operating policies of the Company, the Company is considered a subsidiary of PPC. PPC is an independent congregation under the Chinese Presbytery of the Presbyterian Church in Singapore. PPC is the Company's ultimate holding entity.

7 Operating lease commitments

Commitments in relation to non-cancellable operating leases of office premises contracted for at the balance sheet date, but not recognised as liabilities, are payable as follows:

	2019	2018
	$	$
Not later than one financial year	**2,880**	2,880
Later than one financial year but not later than five financial years	**2,744**	5,624
	5,624	8,504

8 Related party transactions

(a) In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties during the financial year on terms agreed between the parties concerned:

	2019	2018
	$	$
With holding entity		
Contributions from PPC	**300,000**	339,555
Tuition fee paid on behalf for the students	**–**	16,725
Contribution to Providence Care Centre (PCC)	**240,000**	180,000
Sharing of salary and common expenses with PCC	**196,069**	177,029

(b) Key management personnel compensation

Total key management personnel compensation is analysed as follows:

	2019	2018
	$	$
Salaries, bonuses and allowances	**12,380**	18,036
Employer's contribution to defined contribution plans	**1,609**	2,343
	13,989	20,379

9 Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2019	2018
	$	$
Financial assets		
Loans and receivables (including cash and bank balances)	**–**	73,707
Financial assets at amortised cost	**51,091**	–
Financial liabilities		
Financial liabilities at amortised cost	**22,862**	12,522

(b) Financial risk management

The Company's overall risk management is determined and carried out by the board of directors on an informal basis. The Company is exposed to the following financial risks:

Interest rate risk

The Company is not exposed to interest rate risk as it has no significant interest-bearing financial assets and liabilities at the balance sheet date.

9 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from bank balance and other receivables. For financial assets, including bank balance, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised on the balance sheet. Credit risk exposure in relation to financial assets at amortised cost as at 30 June 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 30 June 2019. There were no financial assets that are past due and/or impaired.

Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company also relies on contributions from its holding entity for continued financial support.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

Foreign exchange risk

The Company is not exposed to any foreign exchange risk as most of its transactions, assets and liabilities are denominated in Singapore dollar.

(c) Fair values

The carrying amounts of financial assets and liabilities recorded in the financial statements approximate their fair values due to the relatively short term maturity of these financial instruments.

10 Fund management

The primary objective of the Company's fund management is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Company's principal and related activities, and ensuring long-term financial sustainability.

The Company's overall strategy remains unchanged since prior year.

11 Authorisation of the financial statements

The financial statements of the Company for the financial year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors dated 16 September 2019.