

SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

Audited Financial Statements
For the financial year ended 31 December 2015

SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

Audited Financial Statements
For the financial year ended 31 December 2015

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SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

We, the Management Committee of **SIKH WELFARE COUNCIL** ("Society"), are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Societies Act (Cap. 311), the Singapore Charities Act (Cap. 37) and the Regulations enacted thereunder (together the "Acts"), the Society's Constitution and Singapore Financial Reporting Standards. This responsibility includes:

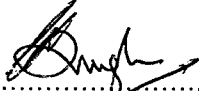
- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies;
- (c) making accounting estimates that are reasonable in the circumstances; and
- (d) assessing the risk of fraud and communicate to the Members of the Society on outcome of those assessments.


In our opinion,

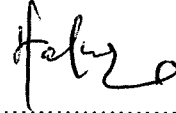
- (a) the accompanying financial statements, together with the notes thereon, are properly drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2015 and of the results, changes in funds and cash flows of the activities of the Division for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee authorised these financial statements for issue, on the date of this statement.

On behalf of the Management Committee


.....
GURDIP SINGH USMA
Chairman


.....
SHARANJIT KAUR
Secretary


.....
HARMIT SINGH S/O LABH SINGH
Treasurer

Singapore,

28 January 2016



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SIKH WELFARE COUNCIL

(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of **SIKH WELFARE COUNCIL** (the "Council"), which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year ended on 31 December 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 19.

Management Committee's Responsibility for the Financial Statements

The Council's Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Societies Act and the Singapore Charities Act (the "Acts") and Singapore Financial Reporting Standards, and for such internal controls as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



MGI MENON & ASSOCIATES

CHARTERED ACCOUNTANTS OF SINGAPORE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SIKH WELFARE COUNCIL – continued

(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
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Opinion

In our opinion, the financial statements of the Council are properly drawn up in accordance with the provisions of the Acts and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Council as at 31 December 2015 and of the financial performance, changes in funds and cash flows of the Council for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- a) The use of the donation moneys was not in accordance with the objectives of the Council as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- b) The Charity has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

**MGI MENON & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS**

Singapore,

28 January 2016



SIKH WELFARE COUNCIL
 (UEN Number: S98SS0018L)
 (Registered under the Societies Act, Chapter 311
 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	<u>NOTE</u>	<u>2015</u> S\$	<u>2014</u> S\$
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	(3)	25,561	3,259
CURRENT ASSET			
Other receivables		11,425	642
Prepayments		3,047	1,988
Cash and cash equivalents	(4)	1,332,916	1,186,556
Total current assets		1,347,388	1,189,186
TOTAL ASSETS		1,372,949	1,192,445
FUNDS AND LIABILITIES			
FUNDS			
Accumulated fund	(5)	1,288,408	1,130,263
Hearse fund	(5)	46,597	50,297
Total funds		1,335,005	1,180,560
CURRENT LIABILITIES			
Other payables and accruals		37,944	11,885
Total current liabilities		37,944	11,885
Total liabilities		37,944	11,885
TOTAL FUNDS AND LIABILITIES		1,372,949	1,192,445

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

SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<u>NOTE</u>	<u>2015</u> S\$	<u>2014</u> S\$
Income			
Donation income		247,704	222,698
Donation from Sikh Institutions		70,512	66,012
Donation from Ride for Charity		134,541	172,405
Donation from Eldercare Programme		9,591	-
	(6)	462,348	461,115
Add: Other Income			
Grant from Care and Share		123,205	-
Grant from Tote Board		38,000	-
Other government grants		20,219	8,104
Fund raising events - Typhoon Haiyan Relief		-	15,000
Interest income		1,864	2,752
		183,288	25,856
Total Income		645,636	486,971
Less: Expenditure			
Accounts fee		3,900	3,575
Advertisement		-	802
Audit fee – current year		4,500	4,500
– prior year underprovision		-	1,155
Bank charges		1,219	742
Communication charges		29,545	7,955
Courier		360	420
Depreciation		7,951	5,601
Donation - Typhoon Haiyan Relief		-	15,000
Eldercare and healthcare programme		17,412	-
Employee benefits expenses	(7)	232,160	195,082
Equipment and software		-	2,520
Balance carried forward		297,047	237,352

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

SIKH WELFARE COUNCIL
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<u>NOTE</u>	<u>2015</u> S\$	<u>2014</u> S\$
Less: Expenditure			
Balance brought forward		297,047	237,352
Family support and food support		88,330	92,937
General expenses		3,270	423
Education support		50,353	42,800
Insurance		2,829	2,624
Medical expenses		719	541
Membership fee		-	375
Printing and stationery		6,117	8,292
Repairs and maintenance		-	469
Sundry expenses		2,045	-
Sunlove financial support		25,639	-
Training and seminar		909	2,710
Transport charges		2,968	2,612
Website development and maintenance		3,150	1,640
Welfare expenses		4,115	7,984
		487,491	400,759
Surplus for the financial year		158,145	86,212
Other comprehensive income		-	-
Total comprehensive income for the financial year		158,145	86,212

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

SIKH WELFARE COUNCIL
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HEARSE FUND INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Income		
Donations	5,200	5,600
	5,200	5,600
Less: Expenditure		
Depreciation	4,548	-
Vehicle maintenance expenses	4,352	3,134
Total expenditure	8,900	3,134
(Deficit)/Surplus for the financial year	(3,700)	2,466
Other comprehensive income	-	-
Total comprehensive income for the financial year	(3,700)	2,466

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

SIKH WELFARE COUNCIL
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STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<u>Accumulated fund</u> S\$	<u>Hearse fund</u> S\$	<u>Total</u> S\$
<u>2015</u>			
Balance as at beginning of financial year	1,130,263	50,297	1,180,560
Total comprehensive income for the financial year	158,145	(3,700)	154,445
Balance as at end of financial year	<u>1,288,408</u>	<u>46,597</u>	<u>1,335,005</u>
	<u>Accumulated fund</u> S\$	<u>Hearse fund</u> S\$	<u>Total</u> S\$
<u>2014</u>			
Balance as at beginning of financial year	1,044,051	47,831	1,091,882
Total comprehensive income for the financial year	86,212	2,466	88,678
Balance as at end of financial year	<u>1,130,263</u>	<u>50,297</u>	<u>1,180,560</u>

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

SIKH WELFARE COUNCIL
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<u>Note</u>	<u>2015</u> S\$	<u>2014</u> S\$
Cash flows from operating activities			
Surplus for the financial year from:			
- Accumulated fund		158,145	86,212
- Hearse fund		(3,700)	2,466
		<u>154,445</u>	<u>88,678</u>
<u>Adjustments for:</u>			
Depreciation		12,500	5,601
Interest income		(1,864)	(2,752)
Operating cash flows before changes in working capital		<u>165,081</u>	<u>91,527</u>
<u>Changes in working capital</u>			
Prepayment		(1,059)	(1,608)
Other receivables		(10,783)	-
Other payables and accruals		26,059	294
Net cash from operating activities		<u>179,298</u>	<u>90,213</u>
Cash flows from investing activities			
Acquisition of plant and equipment		(34,802)	(1,352)
Net cash used in investing activities		<u>(34,802)</u>	<u>(1,352)</u>
Cash flows from financing activities			
Interest received		1,864	2,110
Net cash from financing activities		<u>1,864</u>	<u>2,110</u>
Net increase in cash and cash equivalents		146,360	90,971
Cash and cash equivalents at beginning of year		<u>1,186,556</u>	<u>1,095,585</u>
Cash and cash equivalents at end of financial year (4)		<u><u>1,332,916</u></u>	<u><u>1,186,556</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

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

The financial statements of the Sikh Welfare Council for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Management Committee on the date of the Statement by Management Committee.

1. DOMICILE AND ACTIVITIES

The **Sikh Welfare Council** (“the Council”) is a society (UEN: S98SS0018L) registered in Singapore under the Societies Act. The Council is also a charity registered under the Charities Act. The Council was accorded the Institution of Public Character (“IPC”) status on 5 November 2009 which has been renewed until 31 July 2017. The principal activities of the Council are:

- (a) Supporting projects and schemes that promote and carry out welfare programmes for those requiring assistance in Singapore; and
- (b) Raising funds from individual Sikhs, Sikh Institutions and the general public for accomplishing the above objective.

The registered office of the Council is located at 2 Towner Road, #06-02, Singapore 327804.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Societies Act, the Charities Act and Singapore Financial Reporting Standards (FRS).

The financial statements are presented in Singapore Dollars (“S\$”) which is the Council's functional currency.

The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies that follow.

2.2 Significant judgements by the Management Committee in applying accounting policies

The Management Committee is of the opinion that there were no critical judgements made in applying the Council's accounting policies.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.3 Key sources of estimation uncertainty

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses for the financial year. Although these estimates are based on the Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below:

Depreciation

The Council depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight line method. The estimated useful life reflects the Management Committee's estimate of the periods that the Council intends to derive future economic benefits from the use of the Council's plant and equipment. The residual values reflect the Management Committee's estimated amount that the Council could currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

2.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on a straight line basis to allocate the cost of the assets over their estimated useful lives as follows:-

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

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.4 *Plant and equipment - continued*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.5 *Non-derivative financial assets*

Financial assets, are classified as 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', or 'available-for-sale' financial assets. Financial assets are recognised in the statement of financial position when the Council becomes a party to the contractual provisions of the financial assets.

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for 'financial assets at fair value through profit or loss' which are measured at fair value only. The classification of financial assets, after initial recognition, is re-evaluated and reclassified where allowed and appropriate.

As at the reporting date, the Council's receivable and cash and cash equivalents, which are classified as loans and receivables, are the only non-derivative financial assets.

2.6 *Cash and cash equivalents*

Cash and cash equivalents include cash at banks and fixed deposits placed with a licensed bank in Singapore.

2.7 *Reserve policy*

The Council should strive to maintain Cash or Equivalent Reserves amounting to the higher of the following two amounts:

- Three years of Total Operating and Administrative Expenses (Rounded-up to the nearest \$0.5 million)
- \$2.5 million

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.8 Accruals

These liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the income and expenditure statement when these liabilities are derecognised or impaired, as well as through the amortisation process.

2.9 Provisions

Provisions are recognised when the Council has a present obligation as a result of a past event which is probable and which will result in an outflow of economic benefits that can be reliably estimated.

2.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

i) Donations

Donations including pledges are recognised on receipt basis.

ii) Government grants

Unconditional government grants are recognised as other income when the grants are received.

iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.11 Income tax

The Council is exempt from income tax. The Council has been exempt from filing income tax returns with effect from the Year of Assessment 2008.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.12 Employee benefits

Defined contribution plan

As required by law, the Council makes contribution to the state pension scheme, Central Provident Fund (“CPF”). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

2.13 Changes in accounting policies

The Council adopted the new or amended Financial Reporting Standards (“FRS”) that are effective for annual periods beginning on or after 1 January 2015.

Changes to the Council’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of the above FRS did not have any significant impact on the financial statements of the Council.

2.14 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that are not yet effective for the financial year ended 31 December 2015 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 Council in future financial periods or are not applicable to the Council based on the existing assets and liabilities.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. PLANT AND EQUIPMENT

<u>2015</u>	<u>Office equipment</u> S\$	<u>Computers</u> S\$	<u>Furniture and fittings</u> S\$	<u>Motor vehicle</u> S\$	<u>Total</u> S\$
Cost					
Beginning of financial year	2,351	2,578	8,000	-	12,929
Additions	2,044	4,701	771	27,286	34,802
End of financial year	4,395	7,279	8,771	27,286	47,731
Accumulated depreciation					
Beginning of financial year	870	2,578	6,222	-	9,670
Charge for the financial year	1,409	4,701	1,842	4,548	12,500
End of financial year	2,279	7,279	8,064	4,548	22,170
Carrying value					
End of financial year	2,116	-	707	22,738	25,561

<u>2014</u>	<u>Office equipment</u> S\$	<u>Computers</u> S\$	<u>Furniture and fittings</u> S\$	<u>Total</u> S\$
Cost				
Beginning of financial year	1,494	2,083	8,000	11,577
Additions	857	495	-	1,352
End of financial year	2,351	2,578	8,000	12,929
Accumulated depreciation				
Beginning of financial year	166	347	3,556	4,069
Charge for the financial year	704	2,231	2,666	5,601
End of financial year	870	2,578	6,222	9,670
Carrying value				
End of financial year	1,481	-	1,778	3,259

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Fixed deposits	817,634	815,770
Cash at banks	514,420	367,595
Cash in hand	862	3,192
	<u>1,332,916</u>	<u>1,186,557</u>

Fixed deposits earn interest between 0.10% and 0.35% (2014: 0.10% and 0.25%) per annum and are placed for tenures ranging between 90 days and 365 days (2014: 90 days and 365 days).

5. FUNDS

a) **Accumulated Fund**

The accumulated fund represents surplus accumulated from the operations of the Council. The fund is to be applied for the Council's objectives in accordance with the constitution of the Council and is not distributable otherwise.

b) **Hearse Fund**

The hearse fund was transferred from the Central Sikh Gurdwara Board in 2011. The Council has since then operated and maintained the hearse fund.

6. INCOME

Included within total income is a sum of \$302,506/- (2014 - \$328,545/-) for which tax-deductible receipts were issued by the Council for donations received during the financial year, pursuant to its IPC status.

7. EMPLOYEE BENEFITS EXPENSES

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Staff salaries, bonus and allowances	200,574	171,191
Staff Central Provident Fund and Skills Development Levy contributions	31,586	23,891
	<u>232,160</u>	<u>195,082</u>

Neither the Management Committee members nor their immediate family members received any compensation or remuneration from the Council during the financial year. (2014: Nil)

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

Accounting classifications and fair values

Fair values versus carrying amounts

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<u>2015</u>					
Other receivables		11,425	-	11,425	11,425
Cash and cash equivalents	(4)	1,332,916	-	1,332,916	1,332,916
		<u>1,344,341</u>	<u>-</u>	<u>1,344,341</u>	<u>1,344,341</u>
Other payables and accruals		-	(37,944)	(37,944)	(37,944)
<u>2014</u>					
Other receivables		642	-	642	642
Cash and cash equivalents	(4)	1,186,556	-	1,186,556	1,186,556
		<u>1,187,198</u>	<u>-</u>	<u>1,187,198</u>	<u>1,187,198</u>
Other payables and accruals		-	(11,885)	(11,885)	(11,885)

* Refer to Note 9 as to how fair values have been determined.

Financial Risk Management Policies

The Council's operations carry certain financial risk. The Council's overall risk management approach is to moderate the effects of such volatility on its financial results.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Financial Risk Management Policies - continued

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rate and equity prices will affect the Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i) Foreign exchange risk

The Council is not exposed to any foreign exchange risk as all of its transactions are carried out in S\$.

ii) Interest rate risk

The Council's exposure to market risk for changes in interest rates relates to interest-bearing fixed deposits placed with a financial institution. Although interest income is not significant, it is the Council's policy to obtain the most favorable interest rates available. The interest rates of the fixed deposits are disclosed in Note 4.

b) Credit risk

Credit risk is the risk of financial loss to the Council if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's cash and cash equivalents.

The Council is not exposed to any substantial credit risk as the Council places its cash and fixed deposits with a fully licensed bank in Singapore.

c) Liquidity risk

Liquidity risk is the risk of the Council being unable to secure adequate funding to meet current obligations as they fall due. The Council monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate to finance the Council's operations and to mitigate the effects of fluctuations in cash flows.

SIKH WELFARE COUNCIL
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and Charities Act, Chapter 37, Singapore)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Financial Risk Management Policies - continued

c) Liquidity risk - continued

The Council manages its liquidity position with a view to meet its obligation on a timely basis. The Council measures and manages its cash flow requirements regularly and constantly monitors its funds to ensure that it has sufficient funds to meet its obligations as they fall due.

All financial liabilities are due within 1 year.

9. FAIR VALUE DETERMINATION

The fair values of the Council's financial assets and financial liabilities approximate their respective carrying values due to the relatively short-term nature of these financial instruments.