

**CLARITY SINGAPORE LIMITED**

[Co. Reg. No. 201021634E]

[IPC No. IPC000714]

[A company limited by guarantee and not  
having a share capital]

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2013**

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**Fiducia LLP**

Public Accountants and  
Chartered Accountants of  
Singapore

1 Goldhill Plaza, #03-35  
Podium Block, Singapore 308899.  
T: (65) 6846.8376  
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**DIRECTORS' REPORT**

The Board of Directors are pleased to present their report together with the audited financial statements of Clarity Singapore Limited for the financial year ended 30 September 2013.

**Directors**

The directors in office at the date of this report are as follows:

Tan Peng Chin Joseph  
Pang Kiem Lan Denise  
Belinda Young Hsien Lin  
Professor Choo Wee Jin Philip  
Dr. Christopher Cheok Cheng Soon  
Seow Choon Guan Michael  
Tan Chwee Leng Thomas  
Phua Siok Gek Cynthia  
Linda Tan Ling Yin (Appointed on 2 July 2013)  
Hui Yew Ping (Appointed on 2 July 2013)

**Arrangements to enable directors to acquire shares and/or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object 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.

**Directors' contractual benefits**

Since the end of previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

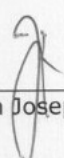
**Other matters**

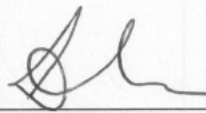
As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

**Auditors**

The auditors, Messrs. Fiducia LLP, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the directors,

  
\_\_\_\_\_  
Tan Peng Chin Joseph  
Director

  
\_\_\_\_\_  
Pang Kiem Lan Denise  
Director

Singapore,

**03 FEB 2014**

**STATEMENT BY DIRECTORS**

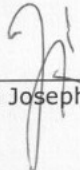
In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 19 are drawn up so as to give a true and fair view of the state of affairs of the Company at 30 September 2013, and of the results of financial activities and changes in equity and cash flows of the Company for the financial year then ended; and
- b) 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.

The Board of Directors authorised these financial statements for issue on

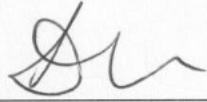
**03 FEB 2014**

On behalf of the directors,

  
\_\_\_\_\_  
Tan Peng Chin Joseph  
Director

Singapore,

**03 FEB 2014**

  
\_\_\_\_\_  
Pang Kiem Lan Denise  
Director

## Fiducia LLP

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Accountants of Singapore

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Independent auditors' report to the members of:

### **CLARITY SINGAPORE LIMITED**

[Co. Reg. No. 201021634E]

[IPC No. IPC000714]

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We have audited the accompanying financial statements of **CLARITY SINGAPORE LIMITED** (the "Company") set out on pages 6 to 19 which comprise the statement of financial position as at 30 September 2013, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility 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 Singapore Companies Act (the "Act"), Charities Act (Chapter 37) 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

#### *Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain 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 controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

## Fiducia LLP

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(CONT'D)

Independent auditors' report to the members of:

### **CLARITY SINGAPORE LIMITED**

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#### *Opinion*

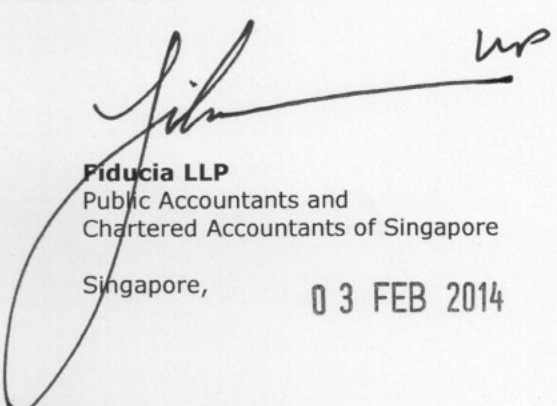
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 September 2013, and the results, changes in funds and cash flows of the Company 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 Companies Act to be kept by the Company have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that the 30% cap mentioned in Regulation 15 (1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008 has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Company.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants of Singapore

Singapore,

03 FEB 2014

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 Unrestricted General Fund S\$	2012 Unrestricted General Fund S\$
<b>INCOME</b>			
<u>Income from generating funds</u>			
Voluntary income			
Donations	4	82,124	16,632
Grants	5	575,390	134,805
		<u>657,514</u>	<u>151,437</u>
<u>Income from charitable activities</u>			
Counselling fees		4,560	7,360
Placement Admin Fee Revenue		300	0
Psycho-Education Sessions		6,506	4,248
Public education revenue		1,900	3,865
		<u>13,266</u>	<u>15,473</u>
<u>Other income</u>			
Special employment credit		2,392	1,274
<b>TOTAL INCOME</b>		<u>673,172</u>	<u>168,184</u>
<b>EXPENDITURE</b>			
<u>Cost of generating funds</u>			
Cost of generating voluntary income		1,611	960
<u>Cost of charitable activities</u>			
Caritas/NCSS membership fees		375	125
Contractor fees		2,970	1,360
Counselling – Related expenses		639	578
Facilities cost		1,486	8,400
Public education expenses		1,303	3,253
Social integration activities expenses		140	0
Psycho-Education Session expenses		4,090	199
Community relations expenses		269	77
Staff costs	7	214,717	142,725
		<u>227,600</u>	<u>156,717</u>
<u>Governance and administrative costs</u>			
	6	194,589	54,167
		<u>194,589</u>	<u>54,167</u>
<b>TOTAL EXPENDITURE</b>		<u>422,189</u>	<u>211,844</u>
Net income/(loss) for the financial year	13	<u>250,983</u>	<u>(43,660)</u>

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

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013**

	Note	2013 S\$	2012 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	9	254,007	112,231
Trade and other receivables	10	<u>3,391</u>	<u>2,941</u>
		257,398	115,172
<b>Non-current assets</b>			
Property, plant and equipment	11	133,473	6
<b>Total assets</b>		<u>390,871</u>	<u>115,178</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	<u>32,297</u>	<u>7,587</u>
<b>Total liabilities</b>		<u>32,297</u>	<u>7,587</u>
<b>NET ASSETS</b>		<u>358,574</u>	<u>107,591</u>
<b>FUNDS</b>			
Unrestricted fund			
General fund	13	<u>358,574</u>	<u>107,591</u>

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

**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at end of financial year S\$
<u>2013</u>			
<b>Unrestricted fund</b>			
General Fund	<u>107,591</u>	<u>250,983</u>	<u>358,574</u>
	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at end of financial year S\$
<u>2012</u>			
<b>Unrestricted fund</b>			
General Fund	<u>151,251</u>	<u>(43,660)</u>	<u>107,591</u>

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



**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013	2012
		S\$	S\$
<b>Cash flows from operating activities</b>			
Net income/(loss) for the financial year		250,983	(43,660)
Adjustments for:			
- Depreciation	11	70,637	291
Operating cash flow before working capital changes		321,620	(43,369)
Changes in working capital			
- Trade and other receivables		(450)	(1,291)
- Trade and other payables		24,710	1,501
<b>Net cash provided by/(used in) operating activities</b>		<u>345,880</u>	<u>(43,159)</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	11	(204,104)	(292)
<b>Net cash (used in) investing activities</b>		<u>(204,104)</u>	<u>(292)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		141,776	(43,451)
Cash and cash equivalents at beginning of financial year		112,231	155,682
Cash and cash equivalents at end of financial year	9	<u>254,007</u>	<u>112,231</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		800	400
Cash at bank	9	<u>253,207</u>	<u>111,831</u>
		<u>254,007</u>	<u>112,231</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

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

### **1. General information**

The Company was incorporated on 10 October 2010. It is a Company limited by guarantee. It is a charity registered under the Charities Act (Chapter 37) on 03 December 2010. The Company has been accorded an Institute of Public Character ('IPC') status for the period from 03 December 2012 to 02 June 2015.

The address of the Company's registered office and principal place of business is Block 854 #01-3511 Yishun Ring Road Singapore 760854.

The principal activities of the Company are:

- To alleviate distress amongst people suffering from mental problems or issues in the Republic of Singapore, in particular those who are poor, regardless of race, religion, sex or citizenship, by initiating, assisting and organising such form of relief and schemes of social services; and
- To better and more effectively serve the poor, the needy and especially people suffering from mental illnesses by researching, analysing the needs and developing the strategies and activities of various social and community organisations.

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

### **2. Significant accounting policies**

#### **2.1 Basis of preparation**

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**2. Significant accounting policies (Cont'd)****2.1 Basis of preparation (Cont'd)****Interpretations and amendments to published standards effective in 2011**

The Company has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Company:

<b>FRS</b>	<b>Effective Date</b>	<b>Title</b>
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 21	1.1.2006	The effect of changes in foreign exchange rates
FRS 24	1.1.2011	Related party disclosures
FRS 32	1.2.2007	Financial instruments : Presentation
FRS 32	1.2.2009	Financial instruments : Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

**2.2 Revenue recognition**

Revenue is recognised as follows:

**2.2.1 Donations**

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

**2.2.2 Grants**

Grants are recognized at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

**2.2.3 Rendering of services**

Revenue from services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

**2.2.4 Other income**

Other income is recognized when incurred.

## **2. Significant accounting policies (Cont'd)**

### **2.3 Property, plant and equipment**

#### 2.3.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

#### 2.3.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful Lives
Computer	1 year
Furniture	5 years
Office equipment	3 years
Renovation	3 years

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

#### 2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### 2.3.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

### **2.4 Trade and other receivables**

Trade and other receivables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

## **2. Significant accounting policies (Cont'd)**

### **2.5 Impairment of non-financial assets**

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### **2.6 Trade and other payables**

Trade and other payables are initially recognised at fair value, and subsequently carried at amortized cost, using the effective interest method.

### **2.7 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.8 Employee compensation**

#### **a) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### **b) Employee leave entitlement**

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

### **2.9 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions.

**2. Significant accounting policies (Cont'd)**

**2.10 Related parties**

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

**2.11 Fair value estimation of financial assets and liabilities**

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

**3. Critical accounting estimates, assumptions and judgments**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Allowance for impairment of receivables*

The Company reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

*Estimated useful lives of property, plant and equipment*

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

*Impairment of property, plant and equipment*

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

**CLARITY SINGAPORE LIMITED**

[Co Reg No. 201021634E]

[IPC No. IPC000714]

Audited Financial Statements  
Financial Year Ended 30 September 2013**4. Voluntary income – Donations**

	2013 S\$	2012 S\$
Tax exempt donations	77,382	1,000
Non-tax exempt donations	4,742	15,632
	<u>82,124</u>	<u>16,632</u>

**5. Grants**

	2013 S\$	2012 S\$
Grant from Caritas	380,000	131,000
Grant from MOH	195,390	0
Grant from NCSS	0	3,805
	<u>575,390</u>	<u>134,805</u>

**6. Governance & other costs**

	Note	2013 Unrestricted Fund General Fund S\$	2012 Unrestricted Fund General Fund S\$
<b>Governance and other administrative costs</b>			
Advertising and promotion		3,735	1,235
Anniversary event		0	1,548
Auditors' remuneration		2,500	2,500
Bank charges		110	30
Depreciation of property, plant and equipment	11	70,637	291
Finance costs		30	0
Internet		1,610	1,759
Legal fees		0	200
Local transport		1,217	448
MINDSET – Social outings		14,570	0
Office and computer supplies		1,748	836
Pantry supplies/refreshment		402	49
Postage and courier charges		79	18
Printing		1,247	502
Professional fees		14,900	650
Relocation expenses		0	300
Rental of premises		11,888	0
Repairs and maintenance		3,090	260
Secretarial fee		0	59
SGGives transaction fee		10	7
Staff costs	7	57,859	42,753
Telephone charges		2,550	722
Utilities		5,387	0
Website/IT fee		1,020	0
		<u>194,589</u>	<u>54,167</u>

**7. Staff costs**

Included in the expenses expended are the following staff costs:

	2013 S\$	2012 S\$
AWS & Bonus	24,199	5,342
CPF and SDF contributions	35,115	23,761
Medical expenses	1,062	499
Salaries	206,919	150,429
Staff welfare	637	389
Staff insurance	2,390	308
Staff training and development	2,254	4,750
	<u>272,576</u>	<u>185,478</u>

The staff costs were allocated as follows:

- Costs of charitable activities
- Administration

	2013 S\$	2012 S\$
Costs of charitable activities	214,717	142,725
Administration	57,859	42,753
	<u>272,576</u>	<u>185,478</u>

**8. Income tax**

The company is a charity registered under the Charities Act since 03 December 2010. Consequently, the income of the Company is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

**9. Cash and bank balances**

	2013 S\$	2012 S\$
Petty cash	800	400
Cash at bank	253,207	111,831
	<u>254,007</u>	<u>112,231</u>

At as the financial year end, the carrying amounts of cash and bank balances approximated their fair values.

**10. Trade and other receivables**

	2013	2012 S\$
Trade receivables	700	200
Other receivables	164	0
Deposit	1,491	1,081
Prepayment	1,036	1,660
	<u>3,391</u>	<u>2,941</u>

At as the financial year end, the carrying amounts of other receivables approximated their fair values.



**11. Property, plant and equipment**

	Computers	Furniture	Office equipment	Renovation	Total
	S\$	S\$	S\$	S\$	S\$
<b>2013</b>					
<b>Cost</b>					
Beginning of financial year	8,781	200	159	0	9,140
Additions	4,650	3,700	2,630	193,124	204,104
End of financial year	13,431	3,900	2,789	193,124	213,244
<b>Accumulated depreciation</b>					
Beginning of financial year	8,775	200	159	0	9,134
Depreciation charge	4,647	740	876	64,375	70,637
End of financial year	13,422	940	1,035	64,375	79,771
<b>Net book value at end of financial year</b>	9	2,960	1,754	128,749	133,473
<b>2012</b>					
<b>Cost</b>					
Beginning of financial year	8,489	200	159	0	8,848
Additions	292	0	0	0	292
End of financial year	8,781	200	159	0	9,140
<b>Accumulated depreciation</b>					
Beginning of financial year	8,484	200	159	0	8,843
Depreciation charge	291	0	0	0	291
End of financial year	8,775	200	159	0	9,134
<b>Net book value at end of financial year</b>	6	0	0	0	6

**12. Trade and other payables**

	2013 S\$	2012 S\$
Trade payables	0	460
Accruals	26,514	3,000
Other payables	5,543	4,127
Due to MOH-COMIT fee collection	240	0
	<u>32,297</u>	<u>7,587</u>

At the statement of financial position date, the carrying amounts of other payables and accruals approximated their fair values.

**13. General fund**

	2013 S\$	2012 S\$
Balance at beginning of financial year	107,591	151,251
Net income/(loss) for the year	<u>250,983</u>	<u>(43,660)</u>
Balance at end of financial year	<u>358,574</u>	<u>107,591</u>

The general fund represents accumulated surplus and is for the purpose of meeting the operating expenses incurred by the Company.

**14. Related party transactions**

The Company has significant related parties transactions with related parties on terms agreed with the parties as follows:

	2013 S\$	2012 S\$
Donation received	<u>5,000</u>	<u>0</u>
Grants received from Caritas Singapore Community Council	<u>380,000</u>	<u>131,000</u>
Facilities costs	<u>1,400</u>	<u>8,400</u>

The Company is governed by the Board of Directors who is volunteers and receive no monetary remuneration for their contribution.

**15. Remuneration of key management personnel**

The remuneration of key management personnel during the financial year was as follows:

	2013 S\$	2012 S\$
Salaries and other short-term benefits	86,000	54,449
Post employment benefits – contribution to CPF	<u>13,090</u>	<u>8,713</u>

	2013 No. of key management personnel	2012 No. of key management personnel
Remuneration band (S\$)		
Between S\$50,001 to \$100,000	1	1
Below S\$50,000	<u>1</u>	<u>0</u>

The remuneration of key management personnel is determined by the Board of Directors.

**16. Financial risk management**

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the directors of the Company on an informal basis.

Credit risk

The Company has credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis with the objective of limiting its credit exposure. The Company has no significant concentrations of credit risk.

Liquidity risk

The Company adopts prudent liquidity risk management by maintaining a level of cash and cash equivalents deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash flow.

Interest rate risk

The Company's revenue and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the statement of financial position date.

Currency risk

The Company is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

**Fair values**

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short term nature.

**18. Management of reserves**

The Company regards its accumulated general fund as its reserves.

The Company's reserve policy requires it to maintain sufficient reserve to ensure long-term financial sustainability and continuity for the purpose of operating effective programs.

**19. Conflict of interest policy**

Whenever a member of the Board of Directors is in any way, directly or indirectly, has an interest in a transaction or project or other matter to be discussed at a meeting, the member shall disclose the nature of his interests before the discussion on the matters begins.

The member concerned should not participate in the discussion or vote on the matter, and should also offer to withdraw from the meeting and the Board of Directors shall decide if this should be accepted.

**20. Authorisation of financial statements**

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on

**03 FEB 2014**