

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

CONTENTS

Directors' Report	2
Statement by Directors	4
Independent Auditors' Report	5
Statement of Financial Activities	7
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Fiducia LLP

(UEN. T10LL09552)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent,
#08-01 Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

DIRECTORS' REPORT

The Board of Directors are pleased to present their report together with the audited financial statements of the Company for the financial year ended 30 September 2015.

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	Resigned on 14 December 2015
Tan Chwee Leng Thomas	Resigned on 06 April 2015
Phua Siok Gek Cynthia	
Hui Yew Ping	
Linda Tan Ling Yin	
John Joseph Fenelon (Fr John Joseph Fenelon)	Appointed on 01 January 2016
Sim Chay Teck (Fr John Sim)	Appointed on 01 January 2016

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 Directors or with a firm of which they are members, or with a Company in which they have substantial financial interests.

Other matters


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

DIRECTORS' REPORT (CONT'D)

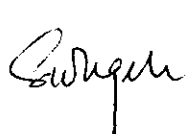
Auditors

The independent auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

For and on behalf of the Board of Directors,



Tan Peng Chin Joseph
Director



Phua Siok Gek Cynthia
Director

Singapore,
14 January 2016

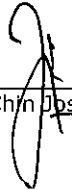
STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

- a) the financial statements as set out on pages 7 to 26 are drawn up so as to give a true and fair view of the financial position of the Company at 30 September 2015, and of the financial performance, changes in funds 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 14 January 2016.

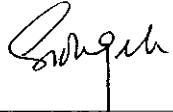
For and on behalf of the Board of Directors,



Tan Peng Chin Joseph
Director

Singapore,

14 January 2016



Phua Siok Gek Cynthia
Director

Fiducia LLP

(UEN. T10LL09552)

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent,
#08-01 Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

Independent auditors' report to the members of:

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

Report on the Financial Statements

We have audited the accompanying financial statements of **Clarity Singapore Limited** (the "Company") set out on pages 7 to 26 which comprise the statement of financial position as at 30 September 2015, and 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 financial statements 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 control 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 control. 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

(UEN. T10LL09552)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent,
#08-01 Excalibur Centre,
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

(CONT'D)

Independent auditors' report to the members of:

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

Opinion

In our opinion, the financial statements of the Company 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 financial position of the Company as at 30 September 2015, and the financial performance, 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 and Charities Act (Chapter 37) 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

Singapore, 14 January 2016

Partner-in-charge: Ong Lien Wan

PAB. No.: 01360

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 S\$	2014 S\$
INCOME			
<u>Income from generating funds</u>			
Voluntary income			
Donations	4	60,849	133,915
Anniversary dinner event	4	80,100	0
Grants	5	596,766	511,086
		<u>737,715</u>	<u>645,001</u>
<u>Income from charitable activities</u>			
Counselling fees		10,020	3,905
Placement Admin Fee Revenue		3,600	600
Psycho-Education Sessions		2,201	2,369
Public education revenue		1,685	5,847
Clinical Supervision fee		3,233	0
Support group fees		0	9
		<u>20,739</u>	<u>12,730</u>
<u>Other income</u>			
Interest income		1,100	239
Gift vouchers		140	0
SingTel Sponsorship Scheme (NCSS)		180	1,080
Special employment credit (MOM)		3,709	1,397
Wage Credit Scheme (IRAS)		14,770	8,639
		<u>19,899</u>	<u>11,355</u>
TOTAL INCOME		<u>778,353</u>	<u>669,086</u>
EXPENDITURE			
<u>Cost of generating funds</u>			
Cost of generating voluntary income		<u>12,331</u>	<u>4,077</u>
<u>Cost of charitable activities</u>			
Art therapy @ Agape Village		3,001	0
C&S - ACMI		122	646
C&S - Fridays with Clarity		26,985	0
Caritas/NCSS membership fees		125	125
Contractor fees		9,640	10,541
Counselling - Related expenses		912	1,108
Facilities cost		1,391	0
Financial and transport assistance		4,118	0
MINDSET - Social outing - Community Integration Programme (Harmony)	13	10,733	31,607
MINDSET - Empowerment Integration Programme (CWS)	13	18,855	14,810
Public education expenses		1,632	2,824
Social integration activities expenses		0	307
Psycho-Education Session expenses		988	1,612
Community relations expenses		1,790	222
Staff costs	6	254,473	200,806
		<u>334,765</u>	<u>264,608</u>
<u>Governance and administrative costs</u>	7	<u>214,569</u>	<u>179,575</u>
TOTAL EXPENDITURE		<u>561,665</u>	<u>448,260</u>
Net surplus for the financial year	13	<u>216,688</u>	<u>220,826</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	677,263	459,000
Trade and other receivables	10	<u>131,205</u>	<u>67,598</u>
		808,468	526,598
Non-current assets			
Property, plant and equipment	11	<u>3,133</u>	<u>67,812</u>
Total assets		<u>811,601</u>	<u>594,410</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	<u>15,513</u>	<u>15,010</u>
Total liabilities		<u>15,513</u>	<u>15,010</u>
NET ASSETS		<u>796,088</u>	<u>579,400</u>
FUNDS			
Unrestricted fund			
General fund	13	<u>784,753</u>	<u>535,387</u>
Restricted fund			
Restricted fund	13	<u>11,335</u>	<u>44,013</u>
		<u>796,088</u>	<u>579,400</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Unrestricted Funds S\$	Restricted Funds S\$	Total Funds S\$
2015			
Balance at beginning of year	535,387	44,013	579,400
Net Surplus	216,688	0	216,688
Transfer from Harmony fund	13,823	(13,823)	0
Transfer from CWS fund	18,855	(18,855)	0
Balance at end of year	<u>784,753</u>	<u>11,335</u>	<u>796,088</u>
	Unrestricted Funds S\$	Restricted Funds S\$	Total Funds S\$
2014			
Balance at beginning of year	358,574	0	358,574
Net Surplus	220,826	0	220,826
Transfer to Harmony fund	(13,823)	13,823	0
Transfer to CWS fund	(30,190)	30,190	0
Balance at end of year	<u>535,387</u>	<u>44,013</u>	<u>579,400</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Net surplus for the financial year		216,688	220,826
Adjustments for:			
- Depreciation	11	71,835	70,978
- Interest income		<u>(1,100)</u>	<u>(239)</u>
Operating cash flow before working capital changes		287,423	291,565
Changes in operating assets and liabilities			
- Trade and other receivables		(63,607)	(64,207)
- Trade and other payables		<u>503</u>	<u>(17,287)</u>
Net cash provided by operating activities		<u>224,319</u>	<u>210,071</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(7,156)	(5,317)
Interest income		<u>1,100</u>	<u>239</u>
Net cash used in investing activities		<u>(6,056)</u>	<u>(5,078)</u>
Net increase in cash and cash equivalents		218,263	204,993
Cash and cash equivalents at beginning of financial year		<u>459,000</u>	<u>254,007</u>
Cash and cash equivalents at end of financial year	9	<u>677,263</u>	<u>459,000</u>
Cash and cash equivalents comprise:			
Cash on hand		950	700
Cash at bank		176,313	308,300
Fixed deposits		<u>500,000</u>	<u>150,000</u>
	9	<u>677,263</u>	<u>459,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

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

1. General information

Clarity Singapore Limited (the "Company") was incorporated on 10 October 2010 as a company limited by guarantee and not having a share capital. Each member of the company undertakes to meet the debts and liabilities of the Company, in the event of liquidation, to an amount not exceeding S\$10 per member. As at 30 September 2015, the Company has 2 members (2014: 1 member).

The Company registered as a Charity under the Charities Act (Chapter 37) on 3 December 2010. It has been accorded an Institute of Public Character ('IPC') status since 03 December 2010 and has been renewed on 03 June 2015 and due to expire on 30 November 2017.

The address of the Company's registered office and principal place of business is at Block 854, #01-3511, Yishun Ring Road, Singapore 760854. As at 01 September 2015, the Company has a second service location at Agape Village, 7A Lorong 8 Toa Payoh #04-01 Singapore 319264.

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.

2. Significant accounting policies

2.1 Basis of preparation

All financial statements are currently being prepared using accrual accounting and in accordance with the Financial Reporting Standards (FRS) but with RAP6 presentation.

These financial statements are presented in Singapore Dollars (S\$), which is the Company's functional currency.

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 2015

On 1 October 2014, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adaptation of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Association and had no material effect on the amounts reported for the current or prior financial years.

New or amended Standards and Interpretations effective after 1 October 2014

The following are the new or amended Standards and Interpretations (issued up to 30 June 2015) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
FRS 114 Regulatory Deferral Accounts Amendments to FRS 27: Equity Method in Separate Financial Statements Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation Amendments to FRS 16 and FRS 41: Agricultural - Bearer Plants Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 115 Revenue from Contracts with Customers	1 January 2017
FRS 109 Financial Instruments	1 January 2018

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. Income 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. Significant accounting policies (Cont'd)

2.2 Income recognition (cont'd)

2.2.2 Grants

Grants are recognised 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 recognised when incurred.

2.3 Expense recognition

All expenses are accounted for on an accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total cost of charitable activities comprises of direct cost and apportionment of overhead and shared costs.

2.3.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment

2.4.1 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.

2.4.2 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
Computers	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.

2.4.3 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.

2.4.4 Disposal

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

2.5 Impairment of non-financial assets

Non-financial assets 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.

2. Significant accounting policies (Cont'd)

2.5 Impairment of non-financial assets

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 recognized 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 recognized. 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 recognized for the asset in prior years. A reversal of impairment loss for an asset is recognized in the statement of financial activities.

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

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 statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.6.2 Recognition and derecognition

Financial assets are derecognized 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.

2.6.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using effective interest method.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (cont'd)

2.6.4 Impairment

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of loans and receivables is recognized when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

2.8 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.9 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.

2.10 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.

2.11 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.

2. Significant accounting policies (Cont'd)

2.12 Employee compensation

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.

2.13 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Centre; or
 - (iii) Is a governing board member, trustee or a member of the key management personnel of the Company or of a parent of the Company;
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) The entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member);
 - (iii) The entity and the Company are joint ventures of the same third;
 - (iv) The entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the branch or an entity related to the branch. If the branch is itself such a plan, the sponsoring employers are also related to the branch.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); and party;
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The Company, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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.

4. Voluntary income

	2015 S\$	2014 S\$
Tax exempt donations	121,512	103,758
Non-tax exempt donations	19,437	30,157
	140,949	133,915

5. Grants

	Note	2015 S\$	2014 S\$
Grant from Caritas	14	200,000	280,000
Grant from MOH		258,972	231,086
Care & Share Matching Grant		137,794	0
		596,766	511,086

6. Staff costs

Included in the expenses expended are the following staff costs:

		2015 S\$	2014 S\$
Annual leave pay		2,029	443
AWS & Bonus		46,590	26,157
CPF and SDL contributions		46,208	35,863
Medical expenses		2,049	999
Salaries		244,870	197,614
Staff welfare		3,797	1,939
Staff insurance		3,366	2,004
Staff recruitment expenses		235	0
Staff training and development		5,284	2,370
		354,428	267,389

	Note	2015 S\$	2014 S\$
The staff costs were allocated as follows:			
• Costs of charitable activities		254,473	200,806
• Administration	7	99,955	66,583
		354,428	267,389

7. Governance & other costs

	Note	2015 Unrestricted Fund General Fund S\$	2014 Unrestricted Fund General Fund S\$
Governance and other administrative costs			
Advertising and promotion		3,705	3,637
Anniversary event		839	6,385
Auditors' remuneration		3,000	2,675
Bank charges		256	101
Depreciation of property, plant and equipment	11	71,835	70,978
Finance costs		0	39
Internet		936	936
Lease rental - copier		401	0
Local transport		1,383	701
Office and computer supplies		2,609	2,158
Pantry supplies/refreshment		286	380
Postage and courier charges		108	251
Printing		397	350
Professional fees		322	1,050
Rental of premises		12,968	12,968
Repairs and maintenance		2,842	2,014
Secretarial fee		169	0
Service & Conservancy charges		156	0
SGGives transaction fee		41	16
Staff costs	6	99,955	66,583
Telephone charges		3,636	2,919
Utilities		5,626	5,259
Website/IT fee		3,099	175
		<u>214,569</u>	<u>179,575</u>

8. Income tax

The Company is a charity registered under the Charities Act since 3 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 cash equivalents

	2015 S\$	2014 S\$
Petty cash	950	700
Cash at bank	176,313	308,300
Fixed deposit	500,000	150,000
	<u>677,263</u>	<u>459,000</u>

Fixed deposits are placed for period of 12 months (FY2014: 12 months) with effective interest rate ranging from 0.25% to 1.50% (FY2014: 0.25%) per annum.

9. Cash and cash equivalents (cont'd)

At the reporting date, the tenures of the fixed deposits are as follows:

	2015 S\$	2014 S\$
Less than 1 year	<u>500,000</u>	<u>150,000</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

10. Trade and other receivables

	2015 S\$	2014 S\$
Trade receivables		
- Non-related parties	4,903	0
Other receivables		
- Deposits	1,691	1,691
- Interest receivable	964	239
- Prepayment	1,513	1,932
- Grant receivable from MOH	<u>122,134</u>	<u>63,736</u>
	<u>126,302</u>	<u>67,598</u>
Total trade and other receivables	<u>131,205</u>	<u>67,598</u>

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

11. Property, plant and equipment

	Computers S\$	Furniture S\$	Office equipment S\$	Renovation S\$	Total S\$
2015					
Cost					
Beginning of financial year	18,291	4,074	3,072	193,124	218,561
Additions	<u>5,356</u>	<u>1,800</u>	<u>0</u>	<u>0</u>	<u>7,156</u>
End of financial year	<u>23,647</u>	<u>5,874</u>	<u>3,072</u>	<u>193,124</u>	<u>225,717</u>
Accumulated depreciation					
Beginning of financial year	18,280	1,715	2,005	128,749	150,749
Depreciation charge	<u>5,352</u>	<u>1,135</u>	<u>973</u>	<u>64,375</u>	<u>71,835</u>
End of financial year	<u>23,632</u>	<u>2,850</u>	<u>2,978</u>	<u>193,124</u>	<u>222,584</u>
Net book value at end of financial year	<u>15</u>	<u>3,024</u>	<u>94</u>	<u>0</u>	<u>3,133</u>

11. Property, plant and equipment (cont'd)

2014	Computers S\$	Furniture S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost					
Beginning of financial year	13,431	3,900	2,789	193,124	213,244
Additions	4,860	174	283	0	5,317
End of financial year	<u>18,291</u>	<u>4,074</u>	<u>3,072</u>	<u>193,124</u>	<u>218,561</u>
Accumulated depreciation					
Beginning of financial year	13,422	940	1,035	64,374	79,771
Depreciation charge	4,858	775	970	64,375	70,978
End of financial year	<u>18,280</u>	<u>1,715</u>	<u>2,005</u>	<u>128,749</u>	<u>150,749</u>
Net book value at end of financial year	<u>11</u>	<u>2,359</u>	<u>1,067</u>	<u>64,375</u>	<u>67,812</u>

12. Trade and other payables

	2015 S\$	2014 S\$
Trade payables		
- Non-related parties	3,075	600
Other payables		
- Accruals	4,113	6,750
- Other payables	<u>8,325</u>	<u>7,660</u>
	<u>12,438</u>	<u>14,410</u>
Total trade and other payables	<u><u>15,513</u></u>	<u><u>15,010</u></u>

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

13. Funds

General fund

Accumulated fund

	2015 S\$	2014 S\$
Balance at beginning of financial year	535,387	358,574
Net surplus for the year	216,688	220,826
Transfer from/(to) Harmony fund	13,823	(13,823)
Transfer from/(to) CWS fund	18,855	(30,190)
Balance at end of financial year	784,753	535,387

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

Restricted funds

Harmony fund

This fund is designated for social outings and integration activities to integrate persons in the Geylang East area who are poor, isolated and recovering from some form of mental illness, into a community of acceptance.

	2015 S\$	2014 S\$
Balance at beginning of financial year	13,823	45,430
Utilisation	(10,733)	(31,607)
Transfer to General fund	(3,090)	0
Balance at end of financial year	0	13,823

CWS fund

This fund is designated for psycho-education activities to empower persons in the city area who are poor, isolated and recovering from some form of mental illness and integrate them into a community of acceptance.

	2015 S\$	2014 S\$
Balance at beginning of financial year	30,190	45,000
Utilisation	(18,855)	(14,810)
Balance at end of financial year	11,335	30,190

14. Related party transactions

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

	Note	2015 S\$	2014 S\$
Grants received from Caritas Singapore Community Council	5	200,000	280,000

The Company is governed by the Board of Directors who are 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:

	2015 S\$	2014 S\$
Salaries and other short-term benefits	111,060	117,460
Post employment benefits – contribution to CPF	12,950	17,353

	2015	2014
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
Between S\$50,001 to \$100,000	1	1
Below S\$50,000	1	1

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

16. Management of conflict of interest

The Board of Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisation that the Company has dealings with or is considering dealing with and any personal interests accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected member of the Board may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

17. Financial risk management

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

Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the Company resulting in a loss to the Company.

The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the statement of financial position.

The credit risk on liquid funds is limited because the counterparties are banks with high credit rating assigned by international credit agencies.

Liquidity and cash flow risks

Liquidity risk refers to the risk that the Company will have insufficient resources to meet its financial liabilities as and when they fall due.

The Board of Directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The table below summarises the profile of the Company's financial assets and liabilities at the statement of financial position date based on contractual undiscounted payments.

	2015 S\$	2014 S\$
<i>Financial assets</i>		
Cash and cash equivalents	677,263	459,000
Trade and other receivables	129,692	65,666
	806,955	524,666
<i>Financial liabilities</i>		
Trade and other payables	15,513	15,010
	791,442	509,656

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 currency exchange risk as all of its transactions are in Singapore Dollars, its functional currency.

17. Financial risk management (Cont'd)

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. Commitments

Operating lease payable

The Company has lease commitments in respect of leasing of office equipment. Rental expense for operating leases for the year amounted to S\$401 (2014: S\$Nil).

At the reporting date, the Company was committed to make the following payments in respect of operating leases with a term of more than one year.

	2015 S\$	2014 S\$
Within 1 year	1,605	0
Within 2 to 5 years	<u>6,019</u>	<u>0</u>

19. Management of reserves

The Company regards its accumulated general fund as its reserves.

The Company's reserve policy is a general reserve level of two years, to ensure financial sustainability and continuity for the purpose of operating effective programs.

20. 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.

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 14 January 2016.