

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

CONTENTS

Directors' Statement	2
Independent Auditor's Report	4
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) 6491.5218

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 30 September 2017.

In the opinion of the directors,

- a) the financial statements as set out on pages 7 to 29, are drawn up so as to give a true and fair view of the financial position of the Company at 30 September 2017, and 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.

Directors

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

Tan Peng Chin Joseph Haydn
Pang Kiem Lan Denise
Belinda Young Hsien Lin
Professor Choo Wee Jin Philip
Dr.Christopher Cheok Cheng Soon
Phua Siok Gek Cynthia
Linda Tan Ling Yin
Hui Yew Ping
Ng Sen Loo Judy
Sim Chay Teck
John Joseph Fenelon
Staes Paul E
Lam Kok Wai, Peter
Yeo Yul Chuan, Benjamin
Chan Pee Teck, Peter

(Resigned on 01 July 2017)
(Resigned on 01 July 2017)
(Resigned on 06 July 2017)
(Resigned on 23 march 2017)
(Resigned on 17 August 2017)
(Appointed on 23 March 2017)
(Appointed on 12 September 2017)
(Appointed on 12 September 2017)
(Appointed on 12 September 2017)

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.

Other matters

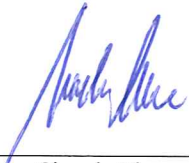
As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

DIRECTORS' STATEMENT (CONT'D)

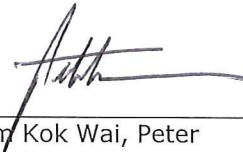
Independent Auditors

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,



Dr. Christopher Cheok Cheng Soon
Director



Lam Kok Wai, Peter
Director

Singapore, **18 JAN 2018**

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) 6491.5218

Independent auditor's report to the members of:

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Clarity Singapore Limited (the "Company"), which comprise the statement of financial position as at 30 September 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 September 2017, and of the financial performance, changes in the funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Board of Management set out on pages 2 and 3 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

When we read the annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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) 6491.5218

(CONT'D)

Independent auditor's 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]

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

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

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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) 6491.5218

(CONT'D)

Independent auditor's 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]

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and 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 Company has not used the donation moneys in accordance with the objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **18 JAN 2018**

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

2017	Unrestricted Fund	Restricted Funds	Total Funds
	S\$	S\$	S\$
INCOME			
Income from generating funds			
Donations	116,623	0	116,623
Anniversary dinner event	0	0	0
Grants	526,630	56,288	582,918
Income from charitable activities	34,109	0	34,109
Other income	32,214	0	32,214
TOTAL INCOME	<u>709,576</u>	<u>56,288</u>	<u>765,864</u>
LESS: EXPENDITURE			
Cost of generating funds	27,542	0	27,542
Cost of charitable activities	186,025	318,264	504,289
Governance and other administrative cost	276,966	16,251	293,217
TOTAL EXPENDITURE	<u>490,533</u>	<u>334,515</u>	<u>825,048</u>
SURPLUS/ (LOSS) FOR THE YEAR	<u>219,043</u>	<u>(278,227)</u>	<u>(59,184)</u>
2016	Unrestricted Fund	Restricted Funds	Total Funds
	S\$	S\$	S\$
INCOME			
Income from generating funds			
Donations	94,570	0	94,570
Anniversary dinner event	105,700	0	105,700
Grants	506,632	607,463	1,114,095
Income from charitable activities	26,420	0	26,420
Other income	33,905	0	33,905
TOTAL INCOME	<u>767,227</u>	<u>607,463</u>	<u>1,374,690</u>
LESS: EXPENDITURE			
Cost of generating funds	44,167	0	44,167
Cost of charitable activities	174,389	225,276	399,665
Governance and other administrative cost	250,342	43,115	293,457
TOTAL EXPENDITURE	<u>468,898</u>	<u>268,391</u>	<u>737,289</u>
SURPLUS FOR THE YEAR	<u>298,329</u>	<u>339,072</u>	<u>637,401</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	2017 S\$	2016 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	1,329,579	1,323,381
Other receivables	8	<u>87,257</u>	<u>140,030</u>
		1,416,836	1,463,411
Non-current assets			
Property, plant and equipment	9	<u>2,981</u>	<u>3,149</u>
Total assets		<u>1,419,817</u>	<u>1,466,560</u>
LIABILITIES			
Current liabilities			
Other payables	10	<u>45,512</u>	<u>33,071</u>
Total liabilities		<u>45,512</u>	<u>33,071</u>
NET ASSETS		<u>1,374,305</u>	<u>1,433,489</u>
FUNDS			
Unrestricted fund			
General fund	11	<u>1,318,505</u>	<u>1,099,462</u>
Restricted funds			
Care and share matching grant	12	<u>55,800</u>	<u>334,027</u>
		<u>1,374,305</u>	<u>1,433,489</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Transfer S\$	Balance at end of year S\$
2017				
Unrestricted fund				
General fund	1,099,462	219,043	0	1,318,505
Restricted funds				
Care and share matching grant	334,027	(278,227)	0	55,800
	<u>1,433,489</u>	<u>(59,184)</u>	<u>0</u>	<u>1,374,305</u>
2016				
Unrestricted fund				
General fund	<u>800,882</u>	<u>298,329</u>	<u>251</u>	<u>1,099,462</u>
Restricted funds				
Care and share matching grant	(16,129)	350,156	0	334,027
CWS fund	<u>11,335</u>	<u>(11,084)</u>	<u>(251)</u>	<u>0</u>
	<u>(4,794)</u>	<u>339,072</u>	<u>(251)</u>	<u>334,027</u>
	<u>796,088</u>	<u>637,401</u>	<u>0</u>	<u>1,433,489</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
(Loss)/ Surplus for the financial year		(59,184)	637,401
Adjustments for:			
- Depreciation	9	6,948	25,675
- Interest income		(5,188)	(5,074)
Operating cash flow before working capital changes		(57,424)	658,002
Changes in operating assets and liabilities			
- Trade and other receivables		52,773	(8,825)
- Trade and other payables		12,441	17,558
Net cash provided by operating activities		<u>7,790</u>	<u>666,735</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(6,780)	(25,691)
Interest income		5,188	5,074
Net cash used in investing activities		<u>(1,592)</u>	<u>(20,617)</u>
Net increase in cash and cash equivalents		6,198	646,118
Cash and cash equivalents at beginning of financial year		<u>1,323,381</u>	<u>677,263</u>
Cash and cash equivalents at end of financial year	7	<u>1,329,579</u>	<u>1,323,381</u>
Cash and cash equivalents comprise:			
Cash on hand		910	650
Cash at bank		258,669	522,731
Fixed deposits		1,070,000	800,000
	7	<u>1,329,579</u>	<u>1,323,381</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

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 2017, the Company has 10 members (2016: 11 members).

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 01 December 2017 and due to expire on 31 August 2020.

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

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

These financial statements are presented in Singapore Dollar (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 2016**

On 1 April 2016, 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 adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company 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 2015

The following are the new or amended Standards and Interpretations (issued by Accounting Standards Council up to 04 January 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none"> - FRS 7 Statement of cash flows (Disclosure initiative) - FRS 12 Income taxes (Recognition of deferred tax assets for unrealised losses) 	1 January 2017
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: <ul style="list-style-type: none"> - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers 	1 January 2018
FRS 116 Leases	1 January 2019

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 from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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 earned.

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 initially recognised 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

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 as follows:

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in profit or loss when 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. All other repair and maintenance expenses are recognised in profit or loss when 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 recognised in profit or loss.

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows 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.

2. Significant accounting policies (Cont'd)

2.5 Impairment of non-financial assets (cont'd)

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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revalued increase.

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets in the following categories: 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 "Other receivables" and "Cash and cash equivalents" on the statement of financial position.

2.6.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with **recourse to the Company are not derecognised until the recourse period has expired and** the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

Financial assets are derecognised when the **rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred** substantially all risks and rewards of ownership.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (cont'd)

2.6.3 Measurement

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

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 and recognises an allowance for impairment when such evidence exists.

Loans and receivables

The Company assesses at each reporting 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 including trade and other receivables is recognised 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 reorganisation, and default or delinquency in payments are 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 bad debts written off is recognised in the statement of financial activities within "Governance and administrative cost".

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 is discharged, cancelled or expires. 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 amortised cost, using the effective interest method.

2. Significant accounting policies (Cont'd)

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.

2.12 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to the statement of comprehensive income. Contingent rents are recognised as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2.13 Employee compensation

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 contribution has been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

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.

2.14 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 Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

2. Significant accounting policies (Cont'd)

2.14 Related parties (cont'd)

(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) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, 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 judgments 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 statement of financial position date, 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.

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 non-financial assets

Non-financial assets 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. Detailed Statement Of Financial Activities

	Unrestricted	Restricted Funds		Total Funds
	Fund	Care and share	CWS	
	General fund	S\$	S\$	S\$
	S\$	S\$	S\$	S\$
2017				
INCOME				
Income from generating funds				
Donations				
- Tax exempt	113,758	0	0	113,758
- Non-tax exempt	2,865	0	0	2,865
Grants				
- Grant from Caritas	200,000	0	0	200,000
- Grant from MOH	326,415	0	0	326,415
- Care & share matching grant	0	56,288	0	56,288
- Grant from NCSS - VCF local training grant	51	0	0	51
- Grant from AIC - HPF	164	0	0	164
	643,253	56,288	0	699,541
Income from charitable activities				
Art Therapy fees	0	0	0	0
Clinical supervision fee	0	0	0	0
Counselling fees	27,800	0	0	27,800
Honarium for practicum placements	1,200	0	0	1,200
Placement admin fee revenue	2,400	0	0	2,400
Psycho-education sessions	1,899	0	0	1,899
Public education revenue	810	0	0	810
	34,109	0	0	34,109
Other income				
Government-paid childcare leave	1,388	0	0	1,388
Interest income	5,188	0	0	5,188
Sale of lucky draw ticket income	0	0	0	0
SingTel Sponsorship Scheme (NCSS)	0	0	0	0
Special Employment Credit (MOM)	846	0	0	846
Temporary Employment Credit (MOM)	4,877	0	0	4,877
Wage Credit Scheme (IRAS)	19,915	0	0	19,915
	32,214	0	0	32,214
TOTAL INCOME	709,576	56,288	0	765,864
EXPENDITURE				
Cost of generating funds				
Cost of generating voluntary income	27,542	0	0	27,542
Cost of charitable activities				
Art Therapy @ Agape Village	0	0	0	0
Bereavement assistance	0	0	0	0
"CAN DO" programme	617	0	0	617
Care and share funds (C&S)				
- C&S - ACMI	0	192	0	192
- C&S - BAH @AV	0	890	0	890
- C&S - Befrienders	0	173	0	173
- C&S - Fridays with Clarity	426	2,639	0	3,065
- C&S - Caregivers' Workshop	0	544	0	544
- C&S - Gospel Art	0	0	0	0
- C&S - Public Talk	0	1,210	0	1,210
- C&S - Depression Workshop	0	227	0	227
- C&S - 'YES!' Initiatives	0	1,908	0	1,908
Caritas/NCSS membership fees	125	0	0	125
Contractor fees	5,614	0	0	5,614
Counselling - related expenses	0	0	0	0
Facilities cost	0	9,492	0	9,492
Financial and transport assistance	539	0	0	539
Maternal Mental Health	590	0	0	590
Mindset - empowerment integration program (CWS)	0	0	0	0

4. Detailed Statement Of Financial Activities (Cont'd)

	Unrestricted	Restricted Fund		Total Fund
	Fund	Care and	CWS	
	General	share		
	fund			
	S\$	S\$	S\$	S\$
2017 (Cont'd)				
EXPENDITURE (Cont'd)				
Cost of charitable activities (Cont'd)				
Public education expenses	0	0	0	0
Provision for utilised leave	14,744	0	0	14,744
Psycho-education session expenses	107	0	0	107
Staff costs				
- Salaries	108,210	231,952	0	340,162
- Annual leave pay	0	0	0	0
- AWS/Bonus	12,192	24,465	0	36,657
- Employer CPF	19,274	44,572	0	63,846
- SDF	832	0	0	832
- Medical	4,974	0	0	4,974
- Staff insurance	3,582	0	0	3,582
- Staff welfare	4,921	0	0	4,921
- Recruitment expense	0	0	0	0
- Training and development	9,278	0	0	9,278
	186,025	318,264	0	504,289
Governance and other administrative cost				
Accounting/Payroll System Subscription	1,461	0	0	1,461
Advertising and promotion	4,130	0	0	4,130
Anniversary event	0	0	0	0
Audit fee	4,446	0	0	4,446
Bank charge	290	0	0	290
Copier lease rental	1,605	0	0	1,605
Computer supplies	842	0	0	842
Depreciation of property, plant and equipment	4,136	2,812	0	6,948
Internet	1,664	0	0	1,664
Local transport	2,285	0	0	2,285
Office supplies	1,850	0	0	1,850
Pantry supplies/refreshments	203	0	0	203
Periodicals and subscriptions	353	0	0	353
Postage and courier	61	0	0	61
Printing	1,127	0	0	1,127
Professional fee	0	0	0	0
Property insurance	1,055	0	0	1,055
Rental of premises	6,484	6,484	0	12,968
Rental of workshop venue	160	0	0	160
Repairs and maintenance	915	1,982	0	2,897
Secretarial fee	1,000	0	0	1,000
Service & conservancy charges	82	82	0	164
SGGives transaction fee	155	0	0	155
Staff costs				
- Salaries	170,827	0	0	170,827
- Annual leave pay	0	0	0	0
- AWS/Bonus	25,310	0	0	25,310
- Employer CPF	33,097	0	0	33,097
- SDF	397	0	0	397
- Staff insurance	1,343	0	0	1,343
- Staff welfare	1,618	0	0	1,618
- Training and development	1,042	0	0	1,042
Telephone	3,999	0	0	3,999
Utilities	2,391	2,391	0	4,782
Website/IT fee	2,638	2,500	0	5,138
	276,966	16,251	0	293,217
TOTAL EXPENDITURE	490,533	334,515	0	825,048
SURPLUS / (DEFICIT) FOR THE YEAR	219,043	(278,227)	0	(59,184)

4. Detailed Statement Of Financial Activities (Cont'd)

	Unrestricted	Restricted Funds		Total Funds
	Fund	Care and share	CWS	
	General fund			
	S\$	S\$	S\$	S\$
2016				
INCOME				
<u>Income from generating funds</u>				
Donations				
- Tax exempt	92,356	0	0	92,356
- Non-tax exempt	2,214	0	0	2,214
Anniversary dinner event				
- Tax exempt	95,230	0	0	95,230
- Non-tax exempt	10,470	0	0	10,470
Grants				
- Grant from Caritas	230,000	0	0	230,000
- Grant from MOH	276,572	0	0	276,572
- Care & share matching grant	0	607,463	0	607,463
- Grant from NCSS - VCF local training grant	60	0	0	60
	706,902	607,463	0	1,314,365
<u>Income from charitable activities</u>				
Art Therapy fees	2,530	0	0	2,530
Clinical supervision fee	1,000	0	0	1,000
Counselling fees	16,520	0	0	16,520
Placement admin fee revenue	1,800	0	0	1,800
Psycho-education sessions	1,180	0	0	1,180
Public education revenue	3,390	0	0	3,390
	26,420	0	0	26,420
<u>Other income</u>				
Interest income	5,074	0	0	5,074
Sale of lucky draw ticket income	935	0	0	935
SingTel Sponsorship Scheme (NCSS)	540	0	0	540
Special Employment Credit (MOM)	2,301	0	0	2,301
Temporary Employment Credit (MOM)	3,110	0	0	3,110
Wage Credit Scheme (IRAS)	21,945	0	0	21,945
	33,905	0	0	33,905
TOTAL INCOME	767,227	607,463	0	1,374,690
EXPENDITURE				
<u>Cost of generating funds</u>				
Cost of generating voluntary income	44,167	0	0	44,167
<u>Cost of charitable activities</u>				
Art Therapy @ Agape Village	0	11,586	0	11,586
Bereavement assistance	1,000	0	0	1,000
"CAN DO" programme	1,119	0	0	1,119
Care and share funds (C&S)				
- C&S - ACMI	0	291	0	291
- C&S - BAH @AV	0	644	0	644
- C&S - Befrienders	0	42	0	42
- C&S - Fridays with Clarity	0	643	0	643
- C&S - Caregivers' Workshop	0	600	0	600
- C&S - Gospel Art	0	135	0	135
- C&S - Public Talk	0	392	0	392
- C&S - Depression Workshop	0	762	0	762
Caritas/NCSS membership fees	225	0	0	225
Contractor fees	48,323	0	0	48,323
Counselling – related expenses	151	0	0	151
Facilities cost	0	9,492	0	9,492
Financial and transport assistance	2,063	0	0	2,063
Mindset – empowerment integration programme (CWS)	0	0	11,084	11,084

4. Detailed Statement Of Financial Activities (Cont'd)

	Unrestricted	Restricted Fund		Total Fund
	Fund	Care and	CWS	
	General	share		
	fund	share	CWS	Total Fund
	S\$	S\$	S\$	S\$
2016 (Cont'd)				
EXPENDITURE (Cont'd)				
Cost of charitable activities (Cont'd)				
Public education expenses	1,769	0	0	1,769
Provision for utilised leave	9,251	0	0	9,251
Psycho-education session expenses	203	0	0	203
Staff costs				
- Salaries	67,339	155,120	0	222,459
- Annual leave pay	1,317	1,317	0	2,634
- AWS/Bonus	25,573	5,250	0	30,823
- Employer CPF	8,040	27,901	0	35,941
- SDF	532	17	0	549
- Medical	1,777	0	0	1,777
- Staff insurance	1,416	0	0	1,416
- Staff welfare	2,080	0	0	2,080
- Recruitment expense	125	0	0	125
- Training and development	2,086	0	0	2,086
	174,389	214,192	11,084	399,665
Governance and other administrative cost				
Advertising and promotion	11,511	0	0	11,511
Anniversary event	1,304	0	0	1,304
Audit fee	3,575	0	0	3,575
Bank charge	606	0	0	606
Copier lease rental	1,605	0	0	1,605
Computer supplies	1,597	0	0	1,597
Depreciation of property, plant and equipment	11,030	14,645	0	25,675
Internet	1,625	0	0	1,625
Local transport	2,117	0	0	2,117
Office supplies	1,414	0	0	1,414
Pantry supplies/refreshments	279	0	0	279
Postage and courier	84	0	0	84
Printing	1,251	0	0	1,251
Professional fee	(60)	0	0	(60)
Property insurance	976	0	0	976
Rental of premises	6,484	6,484	0	12,968
Repairs and maintenance	972	1,046	0	2,018
Secretarial fee	71	0	0	71
Service & conservancy charges	78	78	0	156
SGGives transaction fee	162	0	0	162
Staff costs				
- Salaries	154,250	9,075	0	163,325
- Annual leave pay	1,317	1,317	0	2,634
- AWS/Bonus	10,900	5,250	0	16,150
- Employer CPF	27,846	2,677	0	30,523
- SDF	372	17	0	389
- Staff insurance	1,034	0	0	1,034
- Staff welfare	1,085	0	0	1,085
- Training and development	436	0	0	436
Telephone	3,470	0	0	3,470
Utilities	2,526	2,526	0	5,052
Website/IT fee	425	0	0	425
	250,342	43,115	0	293,457
TOTAL EXPENDITURE	468,898	257,307	11,084	737,289
SURPLUS / (DEFICIT) FOR THE YEAR	298,329	350,156	(11,084)	637,401

5. Tax Deductible Donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$113,758 (2016: S\$187,586) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	2017 S\$	2016 S\$
Statement of comprehensive income		
General fund:		
Donations	113,758	92,356
Anniversary dinner event	0	95,230
	<u>113,758</u>	<u>187,586</u>

6. Income tax

The Company is a charity registered under the Charities Act and is exempted from income tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

7. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash on hand	910	650
Cash at bank	258,669	522,731
Fixed deposit	1,070,000	800,000
	<u>1,329,579</u>	<u>1,323,381</u>

Fixed deposits of the Company at the reporting date had a maturity of 2.10 months (2016: 3.01 months) and had a weighted average effective interest rate of 0.10% (2016: 0.19%) per annum.

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

8. Other receivables

	2017 S\$	2016 S\$
Other receivables		
- Outside parties	1,450	0
- Deposits	3,964	3,964
- Interest receivable	1,089	1,537
- Prepayment	4,133	7,593
- Grant receivable from MOH	76,166	126,936
- Other debtors	480	0
- Others	(25)	0
	<u>87,257</u>	<u>140,030</u>

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

9. Property, plant and equipment

	Computers S\$	Furniture S\$	Office equipment S\$	Renovation S\$	Total S\$
2017					
Cost					
Beginning of financial year	47,655	6,707	3,922	193,124	251,408
Additions	4,732	348	1,700	0	6,780
End of financial year	52,387	7,055	5,622	193,124	258,188
Accumulated depreciation					
Beginning of financial year	47,629	4,151	3,355	193,124	248,259
Depreciation charge	4,727	1,371	850	0	6,948
End of financial year	52,356	5,522	4,205	193,124	255,207
Net book value at end of financial year	31	1,533	1,417	0	2,981
2016					
Cost					
Beginning of financial year	23,647	5,874	3,072	193,124	225,717
Additions	24,008	833	850	0	25,691
End of financial year	47,655	6,707	3,922	193,124	251,408
Accumulated depreciation					
Beginning of financial year	23,632	2,850	2,978	193,124	222,584
Depreciation charge	23,997	1,301	377	0	25,675
End of financial year	47,629	4,151	3,355	193,124	248,259
Net book value at end of financial year	26	2,556	567	0	3,149

10. Other payables

	2017 S\$	2016 S\$
Other payables		
- Outside parties	179	107
- Accruals	4,473	8,811
- Accrual salaries and CPF contributions	16,865	14,902
- Provision for unutilised leave	23,995	9,251
	45,512	33,071

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

11. Unrestricted general fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company. In accordance with section 4 of the Memorandum of Company of the Company, no portion of its income and property shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the Company.

12. Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its company purposes.

Restricted funds comprise:

Care and Share Matching Grant

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not being approved by MSF.

Movement of this fund is as follows:

	2017 S\$	2016 S\$
Balance at beginning of financial year	334,027	(16,129)
Add: Grants received	56,288	607,463
Less: Utilisation	(334,515)	(257,307)
Balance at end of financial year	<u>55,800</u>	<u>334,027</u>

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.

Movement of this fund is as follows:

	2017 S\$	2016 S\$
Balance at beginning of financial year	0	11,335
Less: Utilisation	0	(11,084)
Less: Transfer to General fund	0	(251)
Balance at end of financial year	<u>0</u>	<u>0</u>

12. Restricted funds (Cont'd)

Net assets of the restricted funds

	Care and Share S\$
Total restricted funds as at 30 September 2017	<u>55,800</u>
Represented by:	
Cash and bank balances	55,793
Property, plant and equipment	<u>7</u>
	<u>55,800</u>
Total restricted funds as at 30 September 2016	<u>334,027</u>
Represented by:	
Cash and bank balances	334,022
Property, plant and equipment	<u>5</u>
	<u>334,027</u>

13. Related party transactions

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

	2017 S\$	2016 S\$
Grants received from Caritas Singapore Community Council	<u>200,000</u>	<u>230,000</u>

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

14. Remuneration of key management personnel

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

	2017 S\$	2016 S\$
Salaries and other short-term benefits	90,921	156,791
Post employment benefits – contribution to CPF	14,947	17,420
	2017 No. of key management personnel	2016 No. of key management personnel
Remuneration band (S\$)		
Between S\$100,001 to S\$150,000	1	0
Between S\$50,001 to \$100,000	0	2
Below S\$50,000	0	1

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

15. Management of conflict of interest

There is no paid staff on the Company’s Board of director.

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.

16. Operating lease agreement

The Company has lease commitments in respect of leasing of office equipment. Rental expense for operating leases for the year amounted to S\$1,605 (2016: S\$1,605).

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.

	2017 S\$	2016 S\$
Within 1 year	1,605	1,605
Within 2 to 5 years	3,076	4,414

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.

	2017 S\$	2016 S\$
<u>Payable within one year</u>		
<i>Financial assets</i>		
Cash and cash equivalents	1,329,579	1,323,381
Trade and other receivables	83,124	132,437
	1,412,703	1,455,818
<i>Financial liabilities</i>		
Trade and other payables	45,512	33,071
	1,367,191	1,422,747

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.

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. 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.

19. Reserve policy and position

The Company's reserve position for financial year ended 30 September 2017 is as follows:

		2017	2016	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,318	1,099	20%
B	Restricted or Designated funds			
	Designated funds	0	0	0%
	Restricted funds	56	334	(83%)
C	Endowment funds	0	0	0%
D	Total funds	1,374	1,433	(4%)
E	Total annual operating expenditure	825	737	12%
F	Ratio of funds to annual operating expenditure (A/E)	1.60	1.49	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other operating and administration expenditure.

The Company's Reserve Policy is as follows:

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to establish our reserves at a level equivalent to 2 years of operating expenditure through increasing awareness of our activities, seeking more donors both private and corporate and fund raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

20. 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

18 JAN 2018