

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 2018

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. T10LL0955L)

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 **Clarity Singapore Limited** ("the Company") for the financial year ended 30 September 2018.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company at 30 September 2018, 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:

Staes Paul E

Chen Kim Hin Clement

Appointed on 16 August 2018

Dr. Cheok Cheng Soon Christopher

Tan Peng Chin Joseph Haydn

Pang Kiem Lan Denise

Belinda Young Hsien Lin

Choo Wee Jin Philip

Phua Siok Gek Cynthia

Chan Pee Teck Peter

Lam Kok Wai, Peter (Lin Guowei, Peter)

Yeo Yul Chuan, Benjamin (Yang Yaoquan)

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. Cheok Cheng Soon Christopher
Director



Lam Kok Wai, Peter
Director

Singapore, 15 FEB 2019

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Independent auditor's report to the members of:

CLARITY SINGAPORE LIMITED

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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 2018, 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 2018, 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 Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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 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.

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(CONT'D)

Independent auditor's report to the members of:

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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.

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Independent auditor's report to the members of:

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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, 15 FEB 2019

Partner-in-charge: Looi Chee Bin
PAB. No.: 01834

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

2018		Unrestricted Fund	Restricted Funds	Total Funds
	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		589,726	925,786	1,515,512
Income from charitable activities		19,890	20,915	40,805
Other income		34,376	0	34,376
TOTAL INCOME	4	<u>643,992</u>	<u>946,701</u>	<u>1,590,693</u>
LESS: EXPENDITURE				
Cost of generating funds		11,217	0	11,217
Cost of charitable activities		32,596	573,344	605,940
Governance and other administrative cost		43,214	305,989	349,203
TOTAL EXPENDITURE	4	<u>87,027</u>	<u>879,333</u>	<u>966,360</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>556,965</u>	<u>67,368</u>	<u>624,333</u>
2017		Unrestricted Fund	Restricted Funds	Total Funds
	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		643,253	56,288	699,541
Income from charitable activities		34,109	0	34,109
Other income		32,214	0	32,214
TOTAL INCOME	4	<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	4	<u>490,533</u>	<u>334,515</u>	<u>825,048</u>
SURPLUS /(DEFICIT) FOR THE FINANCIAL YEAR		<u>219,043</u>	<u>(278,227)</u>	<u>(59,184)</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and bank balances	7	1,700,696	1,329,579
Trade and other receivables	8	<u>331,591</u>	<u>87,257</u>
		2,032,287	1,416,836
Non-current assets			
Property, plant and equipment	9	<u>23,262</u>	<u>2,981</u>
Total assets		<u>2,055,549</u>	<u>1,419,817</u>
LIABILITIES			
Current liabilities			
Other payables	10	<u>56,911</u>	<u>45,512</u>
Total liabilities		<u>56,911</u>	<u>45,512</u>
NET ASSETS		<u>1,998,638</u>	<u>1,374,305</u>
FUNDS			
Unrestricted fund			
General fund	11	<u>1,875,470</u>	<u>1,318,505</u>
Restricted funds			
Care and share matching grant	12	50,056	55,800
Comit@North	12	49,559	0
Pledge It Forward Campaign	12	4,448	0
Better and Happier Youth	12	19,105	0
Maternal Mental Health Initiative	12	0	0
		<u>123,168</u>	<u>55,800</u>
		<u>1,998,638</u>	<u>1,374,305</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Balance at end of year S\$
2018			
Unrestricted fund			
General fund	<u>1,318,505</u>	<u>556,965</u>	<u>1,875,470</u>
Restricted funds			
Care and share matching grant	55,800	(5,744)	50,056
Comit@North	0	49,559	49,559
Pledge It Forward Campaign	0	4,448	4,448
Better and Happier Youth	0	19,105	19,105
	<u>55,800</u>	<u>67,368</u>	<u>123,168</u>
	<u>1,374,305</u>	<u>624,333</u>	<u>1,998,638</u>
	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Balance at end of year S\$
2017			
Unrestricted fund			
General fund	<u>1,099,462</u>	<u>219,043</u>	<u>1,318,505</u>
Restricted fund			
Care and share matching grant	<u>334,027</u>	<u>(278,227)</u>	<u>55,800</u>
	<u>1,433,489</u>	<u>(59,184)</u>	<u>1,374,305</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Surplus /(Deficit) for the financial year		624,333	(59,184)
Adjustments for:			
- Depreciation	9	22,411	6,948
- Interest income		(6,280)	(5,188)
- Written off the property, plant and equipment		9	
Operating cash flow before working capital changes		<u>640,473</u>	<u>(57,424)</u>
Changes in working capital			
- Trade and other receivables		(244,334)	52,773
- Other payables		11,399	12,441
Net cash generated by operating activities		<u>407,538</u>	<u>7,790</u>
Cash flows from investing activities			
Placement of fixed deposits with maturity over 3 months		(300,000)	0
Purchases of property, plant and equipment	9	(42,701)	(6,780)
Interest income		6,280	5,188
Net cash used in investing activities		<u>(336,421)</u>	<u>(1,592)</u>
Net increase in cash and cash equivalents		71,117	6,198
Cash and cash equivalents at beginning of financial year		<u>1,079,579</u>	<u>1,073,381</u>
Cash and cash equivalents at end of financial year	7	<u><u>1,150,696</u></u>	<u><u>1,079,579</u></u>
Cash and cash equivalents comprise:			
Cash on hand		650	910
Cash at bank		150,046	258,669
Fixed deposits		<u>1,550,000</u>	<u>1,070,000</u>
		1,700,696	1,329,579
Less: fixed deposits with maturity over 3 months	7	<u>(550,000)</u>	<u>(250,000)</u>
		<u><u>1,150,696</u></u>	<u><u>1,079,579</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018

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 2018, the Company has 11 members (2017: 10 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 2018 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. During the financial year, the Company has a third service location at Mount Alvernia, 820 Thomson Road #01-21 Mount Alvernia Medical Centre B Singapore 574623.

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 the Companies Act, Chapter 50 and Charities Act, Chapter 37. 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 and presentation 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 2018

On 1 October 2017, 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.

Standards issued has not yet effective

The Company has not adopted the following standards that have been issued but not yet effective:

Descriptions	Annual periods commencing on
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: - 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 Amendments to: - FRS 19 Employee benefit (Plan Amendment, Curtailment or Settlement) - FRS 28 Investments in associates (Long-term Interests in Associates and Joint Ventures) - FRS 109 Financial Instruments (Prepayment Features with Negative Compensation)	1 January 2019
Amendments to: - FRS 103 Business Combination (Definition of a business)	1 January 2020
FRS 117 Insurance Contracts	1 January 2021

Except for FRS 116, the directors believe that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of the initial application.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA.

2. Significant accounting policies (Cont'd)

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.

2.2.2 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. Where the grants relates to an asset, the fair value is recognised as funds on the statement of financial position and is amortised to the statement of financial activities over the expected useful lives of the relevant asset by equal annual instalments.

Government grants relating to income shall be recognised in the statement of financial activities on systematic basis in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

2.2.3 Rendering of services

Revenue from services is recognised duration in which the services are rendered.

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. Significant accounting policies (Cont'd)

2.3 Expense recognition (Cont'd)

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.

2.4 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. Significant accounting policies (Cont'd)

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.

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 is recognised in profit or loss.

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 "Trade and 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.

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.

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 "Other payables" on the statement of financial position.

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. Significant accounting policies (Cont'd)

2.9 Other payables

Other payables are initially recognised at fair value, and subsequently carried at amortised 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.

2.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the board of director. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The board of director retains full control over the use of unrestricted funds for any of the Company's purposes.

2.13 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.

2.14 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.

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 accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgments in applying the entity's accounting policies

The critical judgments in applying the entity's accounting policies 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.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

4. Detailed statement of financial activities

	Note	Unrestricted fund	Restricted funds					Total Restricted funds	Total Funds S\$
			General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$		
2018 INCOME									
Income from generating funds									
Donations									
- Tax exempt	5	70,045	0	0	0	0	0	70,045	
- Non-tax exempt		34,981	0	0	0	0	0	34,981	
Fundraising									
- Clarity Christmas Ballet 2018 - tax exempt	5	110,500	0	0	0	0	0	110,500	
Grants									
- Grant from Caritas		365,000	0	0	0	0	0	365,000	
- Grant from MOH		0	0	481,703	0	0	0	481,703	
- Care & share matching grant		0	400,773	0	0	0	0	400,773	
- Grant from AIC - CCTG		9,200	0	0	0	0	0	9,200	
- Grant from CFS		0	0	0	0	25,000	0	25,000	
- Grant from HPB - MMH		0	0	0	0	0	13,596	13,596	
- Grant from NCSS - Pledge It Forward Campaign		0	0	0	4,714	0	0	4,714	
		589,726	400,773	481,703	4,714	25,000	13,596	1,515,512	
Income from charitable activities									
Counselling fees		11,893	0	20,915	0	0	0	32,808	
Honorarium for practicum placements		300	0	0	0	0	0	300	
Placement admin fee revenue		600	0	0	0	0	0	600	
Psycho-education sessions		7,097	0	0	0	0	0	7,097	
		19,890	0	20,915	0	0	0	40,805	
Other income									
Government-paid childcare leave		356	0	0	0	0	0	356	
Interest income		6,280	0	0	0	0	0	6,280	
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	540	
Special Employment Credit (MOM)		272	0	0	0	0	0	272	
Temporary Employment Credit (MOM)		3,145	0	0	0	0	0	3,145	
Wage Credit Scheme (IRAS)		23,783	0	0	0	0	0	23,783	
		34,376	0	0	0	0	0	34,376	
		643,992	400,773	502,618	4,714	25,000	13,596	1,590,693	
TOTAL INCOME									

4. Detailed statement of financial activities (Cont'd)

	Unrestricted fund	Restricted funds							Total Funds S\$
		General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Restricted funds S\$	
2018 (Cont'd)									
EXPENDITURE									
Cost of generating funds									
Cost of generating voluntary income	11,217	0	0	0	0	0	0	0	11,217
Cost of charitable activities									
- C&S - Fridays with Clarity	24	4,215	0	0	0	0	96	4,311	4,335
- C&S - Maternal Mental Health	0	1,114	0	0	0	0	0	1,114	1,114
- C&S - Pathfinders	284	0	0	0	0	0	0	0	284
- C&S - Psychoeducation	0	10,132	0	0	0	0	0	10,132	10,132
- C&S - 'YES!' Initiatives	0	591	0	0	0	0	0	591	591
Caritas/NCSS membership fees	125	0	0	0	0	0	0	0	125
CFS YES!	0	0	0	0	5,895	0	0	5,895	5,895
Contractor fees	1,119	0	3,815	0	0	0	0	3,815	4,934
Facilities cost	0	9,492	0	0	0	0	0	9,492	9,492
Financial and transport assistance	176	0	4	0	0	0	0	4	180
HPB - Maternal Mental Health	276	0	0	0	0	1,103	0	1,103	1,379
OCD Networking	0	0	0	266	0	0	0	266	266
Provision for utilised leave	5,893	0	0	0	0	0	0	0	5,893
Psycho-education session expenses	998	0	134	0	0	0	0	134	1,132
Staff costs									
- Salaries	1,898	130,175	254,120	0	0	8,760	0	393,055	394,953
- Annual leave pay	0	0	1,745	0	0	0	0	1,745	1,745
- AWS/Bonus	3,150	23,117	34,500	0	0	0	0	57,617	60,767
- Employer CPF	528	25,709	49,408	0	0	1,488	0	76,605	77,133
- SDF	299	42	626	0	0	23	0	691	990
- Medical	3,002	0	2,350	0	0	0	0	2,350	5,352
- Staff insurance	2,173	0	3,015	0	0	294	0	3,309	5,482
- Staff welfare	977	0	691	0	0	0	0	691	1,668
- Training and development	11,674	0	260	0	0	164	0	424	12,098
	32,596	204,587	350,668	266	5,895	11,928	266	573,344	605,940

4. Detailed statement of financial activities (Cont'd)

	Unrestricted fund S\$	Restricted funds						Total Restricted funds S\$	Total Funds S\$
		Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$			
2018 (Cont'd)									
EXPENDITURE (Cont'd)									
Governance and other administrative cost									
2C2P Admin Charges	219	0	0	0	0	0	0	219	
Accounting/Payroll System Subscription	563	0	1,300	0	0	0	1,300	1,863	
Advertising and promotion	1,077	0	1,319	0	0	0	1,319	2,396	
Anniversary event	474	0	0	0	0	0	0	474	
Audit fee	4,173	0	0	0	0	0	0	4,173	
Bank charge	199	0	0	0	0	0	0	199	
Copier lease rental	401	0	1,204	0	0	0	1,204	1,605	
Computer supplies	710	0	460	0	0	0	460	1,170	
Depreciation of property, plant and equipment	12,194	0	10,217	0	0	0	10,217	22,411	
Internet	537	0	891	0	0	0	891	1,428	
Legal/Stamp fee	793	0	0	0	0	0	0	793	
Local transport	3,089	0	319	0	0	32	351	3,440	
Office supplies	3,791	0	1,427	0	0	0	1,427	5,218	
Pantry supplies/refreshments	744	0	0	0	0	0	0	744	
Periodicals and subscriptions	103	0	0	0	0	0	0	103	
Postage and courier	1,357	0	838	0	0	0	838	2,195	
Printing	1,379	0	0	0	0	0	0	1,379	
Property insurance	0	3,242	9,726	0	0	0	12,968	12,968	
Rental of premises	342	0	0	0	0	1,370	1,370	1,712	
Mt Alvernia Rental - HPB	190	792	1,652	0	0	0	2,444	2,634	
Repairs and maintenance	1,500	0	0	0	0	0	0	1,500	
Secretarial fee	0	45	135	0	0	0	180	180	
Service & conservancy charges	211	0	0	0	0	0	0	211	
SGGives transaction fee									
Staff costs									
- Salaries	1,898	146,955	49,327	0	0	0	196,282	198,180	
- AWS/Bonus	3,150	21,450	6,200	0	0	0	27,650	30,800	
- Employer CPF	87	28,187	9,442	0	0	0	37,629	37,716	
- SDF	312	42	100	0	0	0	142	454	

4. Detailed statement of financial activities (Cont'd)

	Unrestricted fund	Restricted funds						Total Restricted funds	Total Funds
		General fund	Care & Share	Comit@ North	Pledge It Forward Campaign	Better and Happier Youth	Maternal Mental Health Initiative		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2018 (Cont'd)									
EXPENDITURE (Cont'd)									
Governance and other administrative cost (Cont'd)									
Staff Supervision fee	160	0	0	0	0	0	0	160	
Telephone	2,735	0	2,730	0	0	227	2,957	5,692	
Utilities	10	1,217	4,416	0	0	39	5,672	5,682	
Website/IT fee	531	0	688	0	0	0	688	1,219	
Written off the property, plant and equipment	9	0	0	0	0	0	0	9	
	43,214	201,930	102,391	0	0	1,668	305,989	349,203	
TOTAL EXPENDITURE	87,027	406,517	453,059	266	5,895	13,596	879,333	966,360	
SURPLUS / (DEFICIT) FOR THE YEAR	556,965	(5,744)	49,559	4,448	19,105	0	67,368	624,333	

4. Detailed statement of financial activities (Cont'd)

	Unrestricted fund	Restricted fund	
	General fund	Care and share	Total Funds
	S\$	S\$	S\$
2017			
INCOME			
<u>Income from generating funds</u>			
Donations			
- Tax exempt	113,758	0	113,758
- Non-tax exempt	2,865	0	2,865
Grants			
- Grant from Caritas	200,000	0	200,000
- Grant from MOH	326,415	0	326,415
- Care & share matching grant	0	56,288	56,288
- Grant from NCSS - VCF local training grant	51	0	51
- Grant from AIC - HPF	164	0	164
	643,253	56,288	699,541
<u>Income from charitable activities</u>			
Counselling fees	27,800	0	27,800
Honorarium for practicum placements	1,200	0	1,200
Placement admin fee revenue	2,400	0	2,400
Psycho-education sessions	1,899	0	1,899
Public education revenue	810	0	810
	34,109	0	34,109
<u>Other income</u>			
Government-paid childcare leave	1,388	0	1,388
Interest income	5,188	0	5,188
Special Employment Credit (MOM)	846	0	846
Temporary Employment Credit (MOM)	4,877	0	4,877
Wage Credit Scheme (IRAS)	19,915	0	19,915
	32,214	0	32,214
TOTAL INCOME	709,576	56,288	765,864
EXPENDITURE			
<u>Cost of generating funds</u>			
Cost of generating voluntary income	27,542	0	27,542
<u>Cost of charitable activities</u>			
"CAN DO" programme	617	0	617
Care and share funds (C&S)			
- C&S - ACMI	0	192	192
- C&S - BAH @AV	0	890	890
- C&S - Befrienders	0	173	173
- C&S - Fridays with Clarity	426	2,639	3,065
- C&S - Caregivers' Workshop	0	544	544
- C&S - Public Talk	0	1,210	1,210
- C&S - Depression Workshop	0	227	227
- C&S - 'YES!' Initiatives	0	1,908	1,908
Caritas/NCSS membership fees	125	0	125
Contractor fees	5,614	0	5,614
Facilities cost	0	9,492	9,492
Financial and transport assistance	539	0	539
Maternal Mental Health	590	0	590
Provision for utilised leave	14,744	0	14,744
Psycho-education session expenses	107	0	107

4. Detailed statement of financial activities (Cont'd)

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

5. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$180,545 (2017: S\$113,758) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	2018 S\$	2017 S\$
Statement of financial activities		
General fund:		
Donations - tax exempt	70,045	113,758
Clarity Christmas Ballet 2018 - tax exempt	110,500	0
	<u>180,545</u>	<u>113,758</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 Chapter 134.

7. Cash and bank balances

	2018 S\$	2017 S\$
Cash on hand	650	910
Cash at bank	150,046	258,669
Fixed deposit	1,550,000	1,070,000
	<u>1,700,696</u>	<u>1,329,579</u>

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2018 S\$	2017 S\$
Cash on hand	650	910
Cash at bank	150,046	258,669
Fixed deposit	1,550,000	1,070,000
	<u>1,700,696</u>	<u>1,329,579</u>
Less: fixed deposits with maturity over 3 months	<u>(550,000)</u>	<u>(250,000)</u>
	<u>1,150,696</u>	<u>1,079,579</u>

Fixed deposits at the reporting date had maturity dates ranging from 1 month to 9 month as at 30 September 2018 (2017: 1 to 9 month) and had a weighted average effective interest rate of 0.41% (2017: 0.48%) per annum.

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

8. Trade and other receivables

	2018 S\$	2017 S\$
Trade receivables	750	1,450
Other receivables		
- Deposits	11,114	3,964
- Interest receivable	3,161	1,089
- Prepayment	9,214	4,133
- Grant receivable	307,112	76,166
- Other debtors	240	455
	<u>331,591</u>	<u>87,257</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\$
2018					
Cost					
Beginning of financial year	52,387	7,055	5,622	193,124	258,188
Additions	10,488	2,179	1,909	28,125	42,701
Writte off	(11,411)	0	0	0	(11,411)
End of financial year	<u>51,464</u>	<u>9,234</u>	<u>7,531</u>	<u>221,249</u>	<u>289,478</u>
Accumulated depreciation					
Beginning of financial year	52,356	5,522	4,205	193,124	255,207
Depreciation charge	10,482	1,067	1,487	9,375	22,411
Writte off	(11,402)	0	0	0	(11,402)
End of financial year	<u>51,436</u>	<u>6,589</u>	<u>5,692</u>	<u>202,499</u>	<u>266,216</u>
Net carrying amount	<u>28</u>	<u>2,645</u>	<u>1,839</u>	<u>18,750</u>	<u>23,262</u>
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	<u>52,387</u>	<u>7,055</u>	<u>5,622</u>	<u>193,124</u>	<u>258,188</u>
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	<u>52,356</u>	<u>5,522</u>	<u>4,205</u>	<u>193,124</u>	<u>255,207</u>
Net carrying amount	<u>31</u>	<u>1,533</u>	<u>1,417</u>	<u>0</u>	<u>2,981</u>

10. Other payables

	2018 S\$	2017 S\$
Other payables		
- Outside parties	179	179
- Accruals	7,440	4,473
- Accrual salaries and CPF contributions	19,403	16,865
- Provision for unutilised leave	29,889	23,995
	<u>56,911</u>	<u>45,512</u>

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.

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:

	2018 S\$	2017 S\$
Balance at beginning of financial year	55,800	334,027
Add: Grants received	400,773	56,288
Less: Utilisation	<u>(406,517)</u>	<u>(334,515)</u>
Balance at end of financial year	<u>50,056</u>	<u>55,800</u>

12. Restricted funds (Cont'd)

Pledge It Forward Campaign

This campaign is led by The Social Co., a partner of Community Chest. The funds are designated for preventive interventions to strengthen families and individuals, for capital expenditure and for capability building for community engagements with the aim of unlocking resources for beneficiaries

Movement of this fund is as follows:

	2018 S\$	2017 S\$
Balance at beginning of financial year	0	0
Add: Grants received	4,714	0
Less: Utilisation	<u>(266)</u>	<u>0</u>
Balance at end of financial year	<u>4,448</u>	<u>0</u>

Better and Happier Youth

This is a component of YES Initiative which seeks to transform philanthropy by being a trusted bridge to impact communities.

Movement of this fund is as follows:

	2018 S\$	2017 S\$
Balance at beginning of financial year	0	0
Add: Grants received	25,000	0
Less: Utilisation	<u>(5,895)</u>	<u>0</u>
Balance at end of financial year	<u>19,105</u>	<u>0</u>

Comit@North

This project aims to develop a community-based Allied Health-led, Community Intervention Team to provide psycho-social therapies, rehabilitation, counselling and case management for clients with mental health issues. The project also supports the primary care physicians in managing clients with mental health needs in the community and provides education, training and support to the clients and their caregivers to equip and enable them to live well in the community.

Movement of this fund is as follows:

	2018 S\$	2017 S\$
Balance at beginning of financial year	0	0
Add: Grants received	502,618	0
Less: Utilisation	<u>(453,059)</u>	<u>0</u>
Balance at end of financial year	<u>49,559</u>	<u>0</u>

12. Restricted funds (Cont'd)

Maternal Mental Health Initiative

This Initiative is funded by the Health Promotion Board in order to raise awareness on perinatal mental wellness and promotes help seeking behaviour through public talks, workshops and social media. This Initiative also aims to provide professional perinatal counselling services and support groups.

Movement of this fund is as follows:

	2018 S\$	2017 S\$
Balance at beginning of financial year	0	0
Add: Grants received	13,596	0
Less: Utilisation	<u>(13,596)</u>	<u>0</u>
Balance at end of financial year	<u>0</u>	<u>0</u>

Net assets of the restricted funds

	Care and Share S\$	Comit@ North S\$	Pledge It Forward S\$	Better and Happier Youth S\$	Total S\$
Total restricted funds as at 30 September 2018	<u>50,056</u>	<u>49,559</u>	<u>4,448</u>	<u>19,105</u>	<u>123,168</u>
Represented by:					
Cash and bank balances	50,049	0	4,448	19,105	73,602
Grant receivable	0	49,123	0	0	49,123
Property, plant and equipment	7	436	0	0	443
	<u>50,056</u>	<u>49,559</u>	<u>4,448</u>	<u>19,105</u>	<u>123,168</u>
Total restricted funds as at 30 September 2017	<u>55,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,800</u>
Represented by:					
Cash and bank balances	55,793	0	0	0	55,793
Property, plant and equipment	7	0	0	0	7
	<u>55,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,800</u>

13. Related party transactions

There were no related party transactions during the financial year 2018 and 2017.

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

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

	2018 S\$	2017 S\$
Salaries and other short-term benefits	98,500	90,921
Post employment benefits – contribution to CPF	<u>15,453</u>	<u>14,947</u>
	2018 No. of key management personnel	2017 No. of key management personnel
Remuneration band (S\$)		
Between S\$100,001 to S\$150,000	<u>1</u>	<u>1</u>

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

14. 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.

15. Operating lease agreement

The Company has lease commitments in respect of leasing of premise and office equipment. The lease have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities.

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

	2018 S\$	2017 S\$
Not later than one year	17,947	1,605
Between one and five years	<u>21,455</u>	<u>3,076</u>

16. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the 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.

	2018 S\$	2017 S\$
<u>Payable within one year</u>		
<i>Financial assets</i>		
Cash and bank balances	1,700,696	1,329,579
Trade and other receivables	322,377	83,124
	<u>2,023,073</u>	<u>1,412,703</u>
<i>Financial liabilities</i>		
Other payables	<u>56,911</u>	<u>45,512</u>

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.

17. 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.

18. Reserve policy and position

The Company's reserve position for financial year ended 30 September 2018 is as follows:

		2018	2017	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	1,876	1,318	42%
B	Restricted or Designated funds			
	Designated funds	0	0	0%
	Restricted funds	123	56	130%
C	Endowment funds	0	0	0%
D	Total funds	1,999	1,374	45%
E	Total annual operating expenditure	966	825	17%
F	Ratio of funds to annual operating expenditure (A/E)	1.94	1.60	

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 3 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.

19. 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 **15 FEB 2019**