

## **CLARITY SINGAPORE LIMITED**

[Co. Reg. No. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

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## **Fiducia LLP**

Public Accountants and  
Chartered Accountants of Singapore

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

The Board of Directors are pleased to present their report together with the audited financial statements of the Company for the financial year ended 30 September 2014.

### **Directors**

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

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

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

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **Directors' contractual benefits**

Since the end of previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which they are members, or with a Company in which they have substantial financial interests.

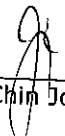
### **Other matters**


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

### **Auditors**

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

For and on behalf of the Board of Directors,

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

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

Singapore,  
09 FEB 2015

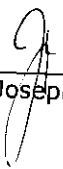
**STATEMENT BY DIRECTORS**


In the opinion of the Board of Directors,

- a) the financial statements as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Company at 30 September 2014, and of the results of financial activities, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on

For and on behalf of the Board of Directors,

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

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

Singapore,  
09 FEB 2015

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Independent auditors' report to the members of:

### **CLARITY SINGAPORE LIMITED**

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We have audited the accompanying financial statements of **Clarity Singapore Limited** (the "Company") set out on pages 6 to 24 which comprise the statement of financial position as at 30 September 2014, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act"), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Fiducia LLP

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(CONT'D)

Independent auditors' report to the members of:

### **CLARITY SINGAPORE LIMITED**

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### *Opinion*

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, Charities Act (Chapter 37) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 September 2014, and the results, changes in funds and cash flows of the Company for the financial year ended on that date.

### *Report on Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the regulations enacted under the Companies Act and Charities Act (Chapter 37) to be kept by the Company have been properly kept in accordance with those regulations.

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

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



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore,  
09 February 2015

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 Unrestricted General Fund S\$	2013 Unrestricted General Fund S\$
<b>INCOME</b>			
<u>Income from generating funds</u>			
Voluntary income			
Donations	4	133,915	82,124
Grants	5	511,086	575,390
		<u>645,001</u>	<u>657,514</u>
<u>Income from charitable activities</u>			
Counselling fees		3,905	4,560
Placement Admin Fee Revenue		600	300
Psycho-Education Sessions		2,369	6,506
Public education revenue		5,847	1,900
Support group fees		9	0
		<u>12,730</u>	<u>13,266</u>
<u>Other income</u>			
Interest income		239	0
SingTel Sponsorship Scheme (NCSS)		1,080	0
Special employment credit (MOM)		1,397	2,392
Wage Credit Scheme (IRAS)		8,639	0
		<u>11,355</u>	<u>2,392</u>
<b>TOTAL INCOME</b>		<u>669,086</u>	<u>673,172</u>
<b>EXPENDITURE</b>			
<u>Cost of generating funds</u>			
Cost of generating voluntary income		<u>4,077</u>	<u>1,611</u>
<u>Cost of charitable activities</u>			
C&S - ACMI		646	0
Caritas/NCSS membership fees		125	375
Contractor fees		10,541	2,970
Counselling – Related expenses		1,108	639
Facilities cost		0	1,486
MINDSET – Social outing - Community Integration Programme (Harmony)		31,607	14,570
MINDSET – Empowerment Integration Programme (CWS)		14,810	0
Public education expenses		2,824	1,303
Social integration activities expenses		307	140
Psycho-Education Session expenses		1,612	4,090
Community relations expenses		222	269
Staff costs	6	200,806	214,717
		<u>264,608</u>	<u>225,989</u>
<u>Governance and administrative costs</u>	7	<u>179,575</u>	<u>194,589</u>
<b>TOTAL EXPENDITURE</b>		<u>448,260</u>	<u>422,189</u>
Net surplus for the financial year	13	<u>220,826</u>	<u>250,983</u>

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

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	Note	2014 S\$	2013 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	459,000	254,007
Trade and other receivables	10	<u>67,598</u>	<u>3,391</u>
		526,598	257,398
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>67,812</u>	<u>133,473</u>
<b>Total assets</b>		<u>594,410</u>	<u>390,871</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	<u>15,010</u>	<u>32,297</u>
<b>Total liabilities</b>		<u>15,010</u>	<u>32,297</u>
<b>NET ASSETS</b>		<u>579,400</u>	<u>358,574</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
General fund	13	<u>535,387</u>	<u>313,144</u>
<b>Restricted fund</b>			
Restricted fund	13	<u>44,013</u>	<u>45,430</u>
		<u>579,400</u>	<u>358,574</u>

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

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**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

	Unrestricted Funds S\$	Restricted Funds S\$	Total Funds S\$
<b>2014</b>			
Balance at beginning of year	358,574	0	358,574
Net Surplus	220,826	0	220,826
Transfer to Harmony fund	(13,823)	13,823	0
Transfer to CWS fund	(30,190)	30,190	0
Balance at end of year	<u>535,387</u>	<u>44,013</u>	<u>579,400</u>
	Unrestricted Funds S\$	Restricted Funds S\$	Total Funds S\$
<b>2013</b>			
Balance at beginning of year	107,591	0	107,591
Net Surplus	250,983	0	250,983
Transfer to Harmony fund	(45,430)	45,430	0
Balance at end of year	<u>313,144</u>	<u>45,430</u>	<u>358,574</u>

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



**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 S\$	2013 S\$
<b>Cash flows from operating activities</b>			
Net surplus for the financial year		220,826	250,983
Adjustments for:			
- Depreciation	11	<u>70,978</u>	<u>70,637</u>
Operating cash flow before working capital changes		291,804	321,620
Changes in operating assets and liabilities			
- Trade and other receivables		(64,207)	(450)
- Trade and other payables		<u>(17,287)</u>	<u>24,710</u>
<b>Net cash provided by operating activities</b>		<u>210,310</u>	<u>345,880</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	11	<u>(5,317)</u>	<u>(204,104)</u>
<b>Net cash used in investing activities</b>		<u>(5,317)</u>	<u>(204,104)</u>
<b>Net increase in cash and cash equivalents</b>		204,933	141,776
Cash and cash equivalents at beginning of financial year		<u>254,007</u>	<u>112,231</u>
Cash and cash equivalents at end of financial year	9	<u>459,000</u>	<u>254,007</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		700	800
Cash at bank		308,300	253,207
Fixed deposits		<u>150,000</u>	<u>0</u>
	9	<u>459,000</u>	<u>254,007</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014**

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. The Company registered as a Charity under the Charities Act (Chapter 37) on 3 December 2010. The Company has been accorded an Institute of Public Character ('IPC') status since 03 December 2010 and has been renewed on 03 December 2012 and due to expire on 02 June 2015.

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

The principal activities of the Company are:

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

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

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

All financial statements are currently being prepared using accrual accounting and in accordance with the Financial Reporting Standards (FRS) but with RAP6 presentation. With effect from 1 Oct 2014, the financial statements will be prepared in accordance with the Charities Accounting Standard (CAS). 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 Dollars (S\$), which is the Company's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

### 2.1 Basis of preparation (Cont'd)

#### Interpretations and amendments to published standards effective in 2013

Since incorporation on 10 October 2010, the Company has adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. The following are the FRS and INT FRS that are relevant to the Company:

<b>FRS</b>	<b>Effective Date</b>	<b>Title</b>
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 16	1.1.2009	Property, plant and equipment
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2013	Employee benefits
FRS 24	1.1.2011	Related party disclosures
FRS 32	1.1.2007	Financial instruments: Presentation
FRS 32	1.1.2009	Financial instruments: Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2007	Financial instruments: Recognition and measurement
FRS 107	1.1.2013	Financial instruments: Disclosures

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

#### 2.2.3 Rendering of services

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

#### 2.2.4 Other income

Other income is recognized when incurred.

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

### **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.

### **2.4 Property, plant and equipment**

#### **2.4.1 Measurement**

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

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

#### **2.4.2 Depreciation**

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

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

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

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

### **2.4 Property, plant and equipment (Cont'd)**

#### **2.4.3 Subsequent expenditure**

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

#### **2.4.4 Disposal**

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

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

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

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

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

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

### **2.6 Financial assets**

#### **2.6.1 Classification**

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

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

### **2.6 Financial assets (Cont'd)**

#### **2.6.1 Classification (Cont'd)**

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" and "Cash and cash equivalents" on the statement of financial position.

#### **2.6.2 Recognition and derecognition**

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

#### **2.6.3 Measurement**

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

#### **2.6.4 Impairment**

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

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

### **2.7 Cash and cash equivalents**

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

### **2.8 Financial liabilities**

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

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

### **2.8 Financial liabilities (Cont'd)**

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

### **2.9 Trade and other payables**

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

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

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

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

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

### **2.12 Employee compensation**

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

### **2.13 Related parties**

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

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

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

**3. Critical accounting estimates, assumptions and judgments (Cont'd)**

Critical judgments in applying the entity's accounting policies

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

*Allowance for impairment of receivables*

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

*Estimated useful lives of property, plant and equipment*

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

*Impairment of property, plant and equipment*

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

**4. Voluntary income – Donations**

	2014 S\$	2013 S\$
Tax exempt donations	103,758	77,382
Non-tax exempt donations	30,157	4,742
	133,915	82,124

**5. Grants**

		2014 S\$	2013 S\$
Grant from Caritas	14	280,000	380,000
Grant from MOH		231,086	195,390
		511,086	575,390



**6. Staff costs**

Included in the expenses expended are the following staff costs:

	2014 S\$	2013 S\$
Annual leave pay	443	0
AWS & Bonus	26,157	24,199
CPF and SDF contributions	35,863	35,115
Medical expenses	999	1,062
Salaries	197,614	206,919
Staff welfare	1,939	637
Staff insurance	2,004	2,390
Staff training and development	2,370	2,254
	<u>267,389</u>	<u>272,576</u>

The staff costs were allocated as follows:

- Costs of charitable activities
- Administration

	2014 S\$	2013 S\$
• Costs of charitable activities	200,806	214,717
• Administration	66,583	57,859
	<u>267,389</u>	<u>272,576</u>

**7. Governance & other costs**

	Note	2014 Unrestricted Fund General Fund S\$	2013 Unrestricted Fund General Fund S\$
<b>Governance and other administrative costs</b>			
Advertising and promotion		3,637	3,735
Anniversary event		6,385	0
Auditors' remuneration		2,675	2,500
Bank charges		101	110
Depreciation of property, plant and equipment	11	70,978	70,637
Finance costs		39	30
Internet		936	1,610
Local transport		701	1,217
Office and computer supplies		2,158	1,748
Pantry supplies/refreshment		380	402
Postage and courier charges		251	79
Printing		350	1,247
Professional fees		1,050	14,900
Rental of premises		12,968	11,888
Repairs and maintenance		2,014	3,090
SGGives transaction fee		16	10
Staff costs	7	66,583	57,859
Telephone charges		2,919	2,550
Utilities		5,259	5,387
Website/IT fee		175	1,020
		<u>179,575</u>	<u>194,589</u>

**8. Income tax**

The Company is a charity registered under the Charities Act since 19 April 2010. Consequently, the income of the Company is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

**9. Cash and cash equivalents**

	2014 S\$	2013 S\$
Petty cash	700	800
Cash at bank	308,300	253,207
Fixed deposit	150,000	0
	459,000	254,007

Fixed deposits with a financial institution at the statement of financial position date had an average maturity of 12 months from that date and had a weighted average effective interest rate of 0.25% per annum.

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

	2014 S\$	2013 S\$
Less than 1 year	150,000	0

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

**10. Trade and other receivables**

	2014 S\$	2013 S\$
Trade receivables		
- Non-related parties	0	700
Other receivables		
- Deposits	1,691	1,491
- Interest receivable	239	0
- Other receivables	0	164
- Prepayment	1,932	1,036
- Grant receivable from MOH	63,736	0
	67,598	3,391

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

**11. Property, plant and equipment**

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

**11. Property, plant and equipment (Cont'd)**

<b>2013</b>	Computers S\$	Furniture S\$	Office equipment S\$	Renovation S\$	Total S\$
<b>Cost</b>					
Beginning of financial year	8,781	200	159	0	9,140
Additions	4,650	3,700	2,630	193,124	204,104
End of financial year	<u>13,431</u>	<u>3,900</u>	<u>2,789</u>	<u>193,124</u>	<u>213,244</u>
<b>Accumulated depreciation</b>					
Beginning of financial year	8,775	200	159	0	9,134
Depreciation charge	4,647	740	876	64,374	70,637
End of financial year	<u>13,422</u>	<u>940</u>	<u>1,035</u>	<u>64,374</u>	<u>79,771</u>
<b>Net book value at end of financial year</b>	<u>9</u>	<u>2,960</u>	<u>1,754</u>	<u>128,750</u>	<u>133,473</u>

**12. Trade and other payables**

	2014 S\$	2013 S\$
Trade payables		
- Non-related parties	600	0
Other payables		
- Accruals	6,750	26,514
- Due to MOH-COMIT fee collection	0	240
- Other payables	7,660	5,543
	<u>15,010</u>	<u>32,297</u>

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

**13. Funds****General fund***Accumulated fund*

	2014 S\$	2013 S\$
Balance at beginning of financial year	358,574	107,591
Net surplus for the year	220,826	250,983
Transfer to Harmony fund	(13,823)	(45,430)
Transfer to CWS fund	(30,190)	0
Balance at end of financial year	<u>535,387</u>	<u>313,144</u>

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

**13. Funds (Cont'd)**

**Restricted funds**

*Harmony fund*

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

	2014 S\$	2013 S\$
Balance at beginning of financial year	45,430	60,000
Utilisation	<u>(31,607)</u>	<u>(14,570)</u>
Balance at end of financial year	<u>13,823</u>	<u>45,430</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.

	2014 S\$	2013 S\$
Addition during the year	45,000	0
Utilisation	<u>(14,810)</u>	<u>0</u>
Balance at end of financial year	<u>30,190</u>	<u>0</u>

**14. Related party transactions**

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

	Note	2014 S\$	2013 S\$
Grants received from Caritas Singapore Community Council	5	280,000	380,000
Facilities costs		<u>0</u>	<u>1,400</u>

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

**15. Remuneration of key management personnel**

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

	2014 S\$	2013 S\$
Salaries and other short-term benefits	117,460	86,000
Post employment benefits – contribution to CPF	17,353	13,090
	2014	2013
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
Between S\$50,001 to \$100,000	1	1
Below S\$50,000	1	1

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

**16. Management of conflict of interest**

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

**17. Financial risk management**

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

*Credit risk*

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

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

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

**17. Financial risk management (Cont'd)**

*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.

	2014 S\$	2013 S\$
<u>Payable within one year</u>		
<i>Financial assets</i>		
Cash and cash equivalents	459,000	254,007
Trade and other receivables	65,666	2,355
	524,666	256,362
<i>Financial liabilities</i>		
Trade and other payables	15,010	32,297
	509,656	224,065

*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. Management of reserves**

The Company regards its accumulated general fund as its reserves.

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

**19. Conflict of interest policy**

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

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

**20. Authorisation of financial statements**

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on 09 February 2015.