

STUDENT ADVISORY CENTRE

[UEN. 200201465K]

(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 31 DECEMBER 2017

CONTENTS

| | |
|-----------------------------------|---------|
| Directors' Statement | 2 |
| Independent Auditor's Report | 3 - 5 |
| Statement of Financial Activities | 6 - 7 |
| Statement of Financial Position | 8 |
| Statement of Changes in Funds | 9 |
| Statement of Cash Flows | 10 |
| Notes to the Financial Statements | 11 - 30 |

Fiducia LLP

(UEN: T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Student Advisory Centre (the "Company") for the financial year ended 31 December 2017.

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 as at 31 December 2017 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Maurice Nhan
Ng How Yue
Seah Gek Huang Sandra
Peter Paul Douglas
Xie Sheng Jie
Timothy Cheng Weilong (Appointed on 30 January 2018)
Danny Chan Yak See (Appointed on 12 March 2018)

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

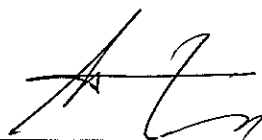
Other matter

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

Independent auditors

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

On behalf of the Board of Directors,



Maurice Nhan
Director



Seah Gek Huang Sandra
Director

Singapore, - 2 MAY 2018

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Independent auditor's report to the members of:

STUDENT ADVISORY CENTRE
[UEN. 200201465K]

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Student Advisory Centre (the "Company") which comprise the financial position of the Company as at 31 December 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year ended 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Companies Act (the "Companies Act"), Chapter 50, the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, 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 ("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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out in page 2 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 express any form of assurance conclusion thereon.

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

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(CONT'D)

Independent auditor's report to the members of:

STUDENT ADVISORY CENTRE
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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Companies Act, Charities Act and Regulations and CAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

The directors' 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.
- 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.

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

- 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.

Other Matter

The financial statements of the Company for the financial year ended 31 December 2016 were audited by a firm of auditor other than Fiducia LLP who expressed an unmodified opinion on those statements on 28 March 2017.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act 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 year:

- a. the Company has not use of 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, - 2 MAY 2018

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

| 2017 | Note | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds | |
|--|------|-------------------|------------------|-----------------|-----------------|-------------------|-----------------|------------------|--|---|------------------|
| | | | General fund | Care & Share | Career GPS | Food for Families | Grant-A-Wish | Hot Meals | Enhanced Step-Up (Service A) Programme | | Lunch Box |
| | | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| INCOME | | | | | | | | | | | |
| Income from generating funds | | | | | | | | | | | |
| Voluntary income | | | | | | | | | | | |
| Donations | 5 | 129,578 | 0 | 0 | 11,066 | 14,932 | 0 | 0 | 0 | 0 | 155,576 |
| Government grants - SEC/TEC/WCS | | 4,790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,790 |
| Activities for generating funds | | | | | | | | | | | |
| Fund raising - Bookmark Day | | 10,654 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,654 |
| Income from charitable activities | | | | | | | | | | | |
| Donations | 5 | 0 | 0 | 800 | 52,416 | 18,291 | 5,500 | 0 | 52,262 | 0 | 129,269 |
| Other income | | | | | | | | | | | |
| Miscellaneous Income | | 360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 360 |
| Total income | | <u>145,382</u> | <u>0</u> | <u>800</u> | <u>63,482</u> | <u>33,223</u> | <u>5,500</u> | <u>0</u> | <u>52,262</u> | <u>0</u> | <u>300,649</u> |
| EXPENDITURE | | | | | | | | | | | |
| Cost of generating funds | 6 | 564 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 564 |
| Cost of charitable activities | 6 | 0 | 0 | 30,828 | 94,870 | 79,674 | 15,493 | 0 | 46,694 | 2,800 | 270,359 |
| Governance and administrative costs | 6 | 118,300 | 0 | 413 | 14,683 | 4,826 | 10,952 | 0 | 98,625 | 518 | 248,317 |
| | | <u>118,864</u> | <u>0</u> | <u>31,241</u> | <u>109,553</u> | <u>84,500</u> | <u>26,445</u> | <u>0</u> | <u>145,319</u> | <u>3,318</u> | <u>519,240</u> |
| Net income/(expenditure) for the year | | <u>26,518</u> | <u>0</u> | <u>(30,441)</u> | <u>(46,071)</u> | <u>(51,277)</u> | <u>(20,945)</u> | <u>0</u> | <u>(93,057)</u> | <u>(3,318)</u> | <u>(218,591)</u> |
| Transfer between funds | | <u>(66,177)</u> | <u>(388,601)</u> | <u>6,829</u> | <u>70,132</u> | <u>67,317</u> | <u>7,625</u> | <u>173,278</u> | <u>129,597</u> | <u>0</u> | <u>0</u> |
| Total funds brought forward | | <u>1,347,309</u> | <u>186,762</u> | <u>(40,891)</u> | <u>123,199</u> | <u>167,311</u> | <u>10,229</u> | <u>(173,278)</u> | <u>(19)</u> | <u>51,730</u> | <u>1,672,352</u> |
| Total funds carried forward | | <u>1,307,650</u> | <u>(201,839)</u> | <u>(64,503)</u> | <u>147,260</u> | <u>183,351</u> | <u>(3,091)</u> | <u>0</u> | <u>36,521</u> | <u>48,412</u> | <u>1,453,761</u> |

**STATEMENT OF FINANCIAL ACTIVITIES FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)**

| 2016 | Note | Unrestricted fund | Restricted funds | | | | | | | | | | Total unrestricted and restricted funds | | | |
|--|------|-------------------|------------------|-----------------|-----------------|-------------------|----------------|------------------|--|-------------|-------------|-------------|---|---------------|----------|------------------|
| | | | S\$ | | | | | | | | | | | S\$ | | |
| | | | General fund | Care & Share | Career GPS | Food for Families | Grant-A-Wish | Hot Meals | Enhanced Step-Up (Service A) Programme | KidsExcel | Lunch Box | | | | | |
| | | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | |
| INCOME | | | | | | | | | | | | | | | | |
| Income from generating funds | | | | | | | | | | | | | | | | |
| Voluntary income | | | | | | | | | | | | | | | | |
| Donations | 5 | 186,696 | 0 | 0 | 8,672 | 9,868 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 205,236 |
| Government grants | | | | | | | | | | | | | | | | |
| - NCSS - care and share grant | | 0 | 193,369 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 193,369 |
| - MSF - ESU grants | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 169,110 | 0 | 0 | 0 | 0 | 0 | 0 | 169,110 |
| - SEC/TEC | | 2,897 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,897 |
| Activities for generating funds | | | | | | | | | | | | | | | | |
| Fund raising - Bookmark Day | | 7,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,009 |
| Income from charitable activities | | | | | | | | | | | | | | | | |
| Donations | 5 | 0 | 0 | 2,000 | 57,456 | 46,176 | 11,296 | 0 | 0 | 0 | 0 | 0 | 0 | 41,790 | 0 | 158,668 |
| Other income | | | | | | | | | | | | | | | | |
| Miscellaneous income | | 3,315 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,315 |
| Total income | | 199,917 | 193,369 | 2,000 | 66,128 | 56,044 | 11,296 | 169,110 | 41,790 | 0 | 0 | 0 | 0 | 0 | 0 | 739,604 |
| EXPENDITURE | | | | | | | | | | | | | | | | |
| Cost of generating funds | 6 | 518 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 518 |
| Cost of charitable activities | 6 | 3,139 | 0 | 42,977 | 79,487 | 50,765 | 18,264 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 0 | 224,632 |
| Governance and administrative costs | 6 | 154,824 | 24,150 | 193 | 192 | 184 | 14 | 850 | 19 | 19 | 19 | 19 | 19 | 0 | 0 | 180,426 |
| | | 158,481 | 24,150 | 43,170 | 79,679 | 50,949 | 18,278 | 850 | 19 | 19 | 19 | 19 | 19 | 30,000 | 0 | 405,676 |
| Net income/(expenditure) for the year | | 41,436 | 169,219 | (41,170) | (13,551) | 5,095 | (6,982) | 168,260 | (19) | (19) | (19) | (19) | (19) | 11,740 | 0 | 334,028 |
| Transfer between funds | | 182,299 | (249,757) | 279 | 30,070 | 29,947 | 7,162 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total funds brought forward | | 1,123,574 | 267,300 | 0 | 106,680 | 132,269 | 10,049 | (341,538) | 0 | 0 | 0 | 0 | 0 | 39,990 | 0 | 1,338,324 |
| Total funds carried forward | | 1,347,309 | 186,762 | (40,891) | 123,199 | 167,311 | 10,229 | (173,278) | (19) | (19) | (19) | (19) | (19) | 51,730 | 0 | 1,672,352 |

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

| | Note | 2017 S\$ | 2016 S\$ |
|--|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 1,277,766 | 1,537,847 |
| Other receivables | 9 | 6,896 | 9,840 |
| Inventories | 10 | 185 | 3,509 |
| | | <u>1,284,847</u> | <u>1,551,196</u> |
| Non-current assets | | | |
| Property, plant and equipment | 11 | <u>188,898</u> | <u>182,703</u> |
| Total assets | | <u>1,473,745</u> | <u>1,733,899</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other payables | 12 | <u>19,984</u> | <u>61,547</u> |
| Total liabilities | | <u>19,984</u> | <u>61,547</u> |
| NET ASSETS | | <u>1,453,761</u> | <u>1,672,352</u> |
| FUNDS | | | |
| Unrestricted fund | | | |
| General fund | 13 | 1,307,650 | 1,347,309 |
| Restricted funds | | | |
| Care & Share | 14 | (201,839) | 186,762 |
| Career GPS | 14 | (64,503) | (40,891) |
| Food for Families | 14 | 147,260 | 123,199 |
| Grant-A-Wish | 14 | 183,351 | 167,311 |
| Hot Meals | 14 | (3,091) | 10,229 |
| Enhanced Step-Up (Service A) Programme | 14 | 0 | (173,278) |
| KidsExcel | 14 | 36,521 | (19) |
| Lunch Box | 14 | 48,412 | 51,730 |
| | | <u>146,111</u> | <u>325,043</u> |
| TOTAL FUNDS | | <u>1,453,761</u> | <u>1,672,352</u> |

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

| | Balance at beginning of financial year S\$ | Net income/ (expenditure) for the year S\$ | Transfers from/ (to) S\$ | Balance at end of financial year S\$ |
|---|---|---|--------------------------------|--|
| 2017 | | | | |
| Unrestricted fund | | | | |
| General fund | 1,347,309 | 26,518 | (66,177) | 1,307,650 |
| Restricted funds | | | | |
| Care & Share | 186,762 | 0 | (388,601) | (201,839) |
| Career GPS | (40,891) | (30,441) | 6,829 | (64,503) |
| Food for Families | 123,199 | (46,071) | 70,132 | 147,260 |
| Grant-A-Wish | 167,311 | (51,277) | 67,317 | 183,351 |
| Hot Meals | 10,229 | (20,945) | 7,625 | (3,091) |
| Enhanced Step-Up (Service A) Programme | (173,278) | 0 | 173,278 | 0 |
| KidsExcel | (19) | (93,057) | 129,597 | 36,521 |
| Lunch Box | 51,730 | (3,318) | 0 | 48,412 |
| | <u>325,043</u> | <u>(245,109)</u> | <u>66,177</u> | <u>146,111</u> |
| Total funds | <u>1,672,352</u> | <u>(218,591)</u> | <u>0</u> | <u>1,453,761</u> |

| | Balance at beginning of year S\$ | Net income/ (expenditure) for the year S\$ | Transfers from/ (to) S\$ | Balance at end of year S\$ |
|---|---|---|--------------------------------|-------------------------------------|
| 2016 | | | | |
| Unrestricted fund | | | | |
| General fund | 1,123,574 | 41,436 | 182,299 | 1,347,309 |
| Restricted funds | | | | |
| Care & Share | 267,300 | 169,219 | (249,757) | 186,762 |
| Career GPS | 0 | (41,170) | 279 | (40,891) |
| Food for Families | 106,680 | (13,551) | 30,070 | 123,199 |
| Grant-A-Wish | 132,269 | 5,095 | 29,947 | 167,311 |
| Hot Meals | 10,049 | (6,982) | 7,162 | 10,229 |
| Enhanced Step-Up (Service A) Programme | (341,358) | 168,260 | 0 | (173,278) |
| KidsExcel | 0 | (19) | 0 | (19) |
| Lunch Box | 39,990 | 11,740 | 0 | 51,730 |
| | <u>214,750</u> | <u>292,592</u> | <u>182,299</u> | <u>325,043</u> |
| Total funds | <u>1,338,324</u> | <u>334,028</u> | <u>0</u> | <u>1,672,352</u> |

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

| | Note | 2017 S\$ | 2016 S\$ |
|---|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net (expenditure)/income for the year | | (218,591) | 334,028 |
| Adjustments for: | | | |
| - Depreciation of property, plant and equipment | 11 | 45,067 | 31,978 |
| - Property, plant and equipment written off | | 0 | 78 |
| Operating cash flow before working capital changes | | (173,524) | 366,084 |
| Changes in operating assets and liabilities | | | |
| - Other receivables | | 2,944 | 105,866 |
| - Inventories | | 3,324 | (3,509) |
| - Other payables | | (41,563) | 53,552 |
| Net cash (used in)/generated from operating activities | | <u>(208,819)</u> | <u>521,993</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 11 | <u>(51,262)</u> | <u>(205,556)</u> |
| Net cash used in investing activities | | <u>(51,262)</u> | <u>(205,556)</u> |
| Net (decrease)/increase in cash and cash equivalents | | (260,081) | 316,437 |
| Cash and cash equivalents at beginning of financial year | | <u>1,537,847</u> | <u>1,221,410</u> |
| Cash and cash equivalents at end of financial year | 8 | <u><u>1,277,766</u></u> | <u><u>1,537,847</u></u> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 December 2017

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

1. General information

Student Advisory Centre ("the Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at Blk 365 Clementi Avenue 2, #01-503, Singapore 120365.

The Company was registered as charity under the Charities Act, Chapter 37 on 8 August 2002. The Company has been accorded an Institution of a Public Character ("IPC") status for the period from 1 July 2017 to 30 June 2019.

The principal activities of the Company are those of providing various programmes aiming to help children from low-income families, either through immediate assistance (free food, donation of goods) or help children build foundation to escape poverty through educational support (counselling, tuition services and career guidance).

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and disclosure requirements of the 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 currency.

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.

2.2 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-kinds are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

2.2.3 Other income

Other income is recognised upon received.

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition

All expenditure is accounted for on 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

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Company and an apportionment of overhead and shared costs.

2.3.3 Governance and other 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.

2.4.2 Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | <u>Useful lives</u> |
|------------------------|---------------------|
| Renovation | 5 years |
| Furniture and fittings | 5 years |
| Office equipment | 5 years |
| Kitchen equipment | 5 years |
| Software | 5 years |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in 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 have 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 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.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.5 Financial assets

2.5.1 Classification

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

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

2.5.2 Recognition and derecognition

Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

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

2.5.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

2.5.4 Subsequent measurement

Loans and receivable are subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (Cont'd)

2.5 Financial assets (Cont'd)

2.5.5 Impairment

The Company assesses at each reporting 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.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

An allowance for impairment of loans and receivables including other receivables, are 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.

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. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term highly liquid investments that are readily convertible to a known amount of cash, which are subject to an insignificant risk of changes in value.

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Donated stocks are valued at cost and will not be for resale in the subsequent period. The donated stocks of gift vouchers are valued based on their face value.

2.8 Other receivables

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2. Significant accounting policies (Cont'd)

2.9 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".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or 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.

2.10 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 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.

2.12 Operating leases as lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. Significant accounting policies (Cont'd)

2.13 Employee compensation

2.13.1 Defined contribution plans

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

2.13.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board retains full control over the use of unrestricted funds for any of the Company's purposes.

2.15 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.16 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

2.17 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of a parent of the Company;

2. Significant accounting policies (Cont'd)

2.17 Related parties (Cont'd)

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

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment as of 31 December 2017 and 2016 is S\$188,898 and S\$182,703 respectively.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 December 2017 and 2016.

4. Income tax

The Company is a charity registered under the Charities Act since 8 August 2002. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap.134.

5. Donations

| | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds |
|--|-------------------|------------------|--------------|------------|-------------------|--------------|-----------|-----------|---|
| | | General fund | Care & Share | Career GPS | Food for Families | Grant-A-Wish | Hot Meals | KidsExcel | |
| 2017 | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| INCOME | | | | | | | | | |
| Income from generating funds | | | | | | | | | |
| Voluntary income | | | | | | | | | |
| Donations – non tax exempt | 50,484 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 50,484 |
| Donations – tax exempt | 79,094 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 79,094 |
| Donations in kind –non tax exempt | 0 | 0 | 0 | 11,066 | 14,932 | 0 | 0 | 0 | 25,998 |
| | 129,578 | 0 | 0 | 11,066 | 14,932 | 0 | 0 | 0 | 155,576 |
| Income from charitable activities | | | | | | | | | |
| Donations – non tax exempt | 0 | 0 | 600 | 27,526 | 4,742 | 0 | 49,902 | 0 | 82,770 |
| Donations – tax exempt | 0 | 0 | 200 | 24,890 | 13,549 | 5,500 | 2,360 | 0 | 46,499 |
| | 0 | 0 | 800 | 52,416 | 18,291 | 5,500 | 52,262 | 0 | 129,269 |
| | 129,578 | 0 | 800 | 63,482 | 33,223 | 5,500 | 52,262 | 0 | 284,845 |
| 2016 | | | | | | | | | |
| INCOME | | | | | | | | | |
| Income from generating funds | | | | | | | | | |
| Voluntary income | | | | | | | | | |
| Donations – non tax exempt | 86,926 | 0 | 2,000 | 0 | 0 | 0 | 0 | 0 | 88,926 |
| Donations – tax exempt | 99,770 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 99,770 |
| Donations in kind –non tax exempt | 0 | 0 | 0 | 8,672 | 9,868 | 0 | 0 | 0 | 18,540 |
| | 186,696 | 0 | 2,000 | 8,672 | 9,868 | 0 | 0 | 0 | 207,236 |
| Income from charitable activities | | | | | | | | | |
| Donations – non tax exempt | 0 | 0 | 0 | 26,682 | 7,077 | 0 | 0 | 17,760 | 51,519 |
| Donations – tax exempt | 0 | 0 | 0 | 30,774 | 39,099 | 11,296 | 0 | 23,980 | 105,149 |
| | 0 | 0 | 0 | 57,456 | 46,176 | 11,296 | 0 | 41,740 | 156,668 |
| | 186,696 | 0 | 2,000 | 66,128 | 56,044 | 11,296 | 0 | 41,740 | 363,904 |

6. Expenditure

| 2017 | Note | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds | | |
|---|------|-------------------|------------------|----------------|-----------------------|------------------|---------------|---------------|---------------|---|---|---------|
| | | General fund S\$ | Care & Share S\$ | Career GPS S\$ | Food for Families S\$ | Grant-A-Wish S\$ | Hot Meals S\$ | KidsExcel S\$ | Lunch Box S\$ | S\$ | | |
| Cost of generating funds | | | | | | | | | | | | |
| Fund raising expenses | | 564 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 564 |
| Cost of charitable activities | | | | | | | | | | | | |
| Disbursement - CGPS | | 0 | 0 | 345 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 345 |
| Disbursement - FFF | | 0 | 0 | 0 | 39,802 | 0 | 0 | 0 | 0 | 0 | 0 | 39,802 |
| Disbursement - GAW | | 0 | 0 | 0 | 0 | 20,926 | 0 | 0 | 0 | 0 | 0 | 20,926 |
| Disbursement - In-Kind (FFF) | | 0 | 0 | 0 | 13,710 | 0 | 0 | 0 | 0 | 0 | 0 | 13,710 |
| Disbursement - In-Kind (GAW) | | 0 | 0 | 0 | 0 | 15,612 | 0 | 0 | 0 | 0 | 0 | 15,612 |
| Disbursement - LBF | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,800 | 0 | 2,800 |
| Disbursement - HM | | 0 | 0 | 0 | 0 | 0 | 1,483 | 0 | 0 | 0 | 0 | 1,483 |
| Staff costs | 7 | 0 | 0 | 30,483 | 41,358 | 43,136 | 14,010 | 46,694 | 0 | 2,800 | 0 | 175,681 |
| | | 0 | 0 | 30,828 | 94,870 | 79,674 | 15,493 | 46,694 | 0 | 2,800 | 0 | 270,359 |
| Governance and administrative costs | | | | | | | | | | | | |
| Bank charges | | 220 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 220 |
| Corporate gifts | | 1,348 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,348 |
| Computer and internet expenses | | 227 | 0 | 0 | 454 | 114 | 340 | 1,134 | 0 | 0 | 0 | 2,269 |
| Depreciation of property, plant and equipment | | 4,507 | 0 | 0 | 9,013 | 2,253 | 6,760 | 22,534 | 0 | 0 | 0 | 45,067 |
| Entertainment and refreshment | | 226 | 0 | 182 | 26 | 0 | 29 | 0 | 0 | 0 | 0 | 463 |
| Fund raising expenses | | 228 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 228 |
| Insurance expense | | 64 | 0 | 0 | 85 | 21 | 64 | 214 | 0 | 0 | 0 | 448 |
| IT maintenance fee | | 315 | 0 | 0 | 629 | 157 | 472 | 1,573 | 0 | 0 | 0 | 3,146 |
| Medical and dental claim | | 471 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 471 |
| Membership fee | | 125 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125 |
| Office cleaning | | 330 | 0 | 0 | 660 | 165 | 495 | 1,651 | 0 | 0 | 0 | 3,301 |
| Office supplies | | 18 | 0 | 0 | 36 | 9 | 27 | 89 | 0 | 0 | 0 | 179 |
| Online portal charges | | 471 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 471 |
| Balance c/f | | 8,550 | 0 | 182 | 10,903 | 2,719 | 8,187 | 27,195 | 0 | 0 | 0 | 57,736 |

6. Expenditure (Cont'd)

| 2017 (CONT'D) | Note | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds S\$ |
|---|------|-------------------|------------------|----------------|-----------------------|------------------|---------------|---------------|---------------|---|
| | | General fund S\$ | Care & Share S\$ | Career GPS S\$ | Food for Families S\$ | Grant-A-Wish S\$ | Hot Meals S\$ | KidsExcel S\$ | Lunch Box S\$ | |
| Governance and administrative costs (Cont'd) | | | | | | | | | | |
| Balance b/f | | 8,550 | 0 | 182 | 10,903 | 2,719 | 8,187 | 27,195 | 0 | 57,736 |
| Postage and courier charges | | 351 | 0 | 0 | 0 | 14 | 0 | 12 | 5 | 382 |
| Printing and stationery | | 556 | 0 | 0 | 29 | 7 | 22 | 402 | 0 | 1,016 |
| Professional fees | | 6,809 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,809 |
| Programme expenses | | 10,665 | 0 | 0 | 0 | 0 | 10 | 61,716 | 513 | 72,904 |
| Rent expense | | 1,028 | 0 | 0 | 2,057 | 514 | 1,543 | 5,143 | 0 | 10,285 |
| Repairs and maintenance | | 869 | 0 | 0 | 588 | 150 | 442 | 1,522 | 0 | 3,571 |
| Staff costs | 7 | 87,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 87,600 |
| Subscription fee | | 449 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 449 |
| Telephone charges | | 100 | 0 | 0 | 201 | 50 | 151 | 501 | 0 | 1,003 |
| Training and seminar | | 563 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 563 |
| Transportation | | 383 | 0 | 231 | 150 | 1,183 | 31 | 247 | 0 | 2,225 |
| Utilities and conservancy | | 377 | 0 | 0 | 755 | 189 | 566 | 1,887 | 0 | 3,774 |
| | | 118,300 | 0 | 413 | 14,683 | 4,826 | 10,952 | 98,625 | 518 | 248,317 |

6. Expenditure (Cont'd)

| 2016 | Note | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds S\$ | | |
|---|------|---------------------|---------------------|-------------------|--------------------------|---------------------|------------------|---|------------------|--|------------------|---------|
| | | General fund S\$ | Care & Share S\$ | Career GPS S\$ | Food for Families S\$ | Grant-A-Wish S\$ | Hot Meals S\$ | Enhanced Step-Up (Service A) Programme S\$ | KidsExcel S\$ | | Lunch Box S\$ | |
| Cost of generating funds | | 518 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 518 |
| Fund raising expenses | | | | | | | | | | | | |
| Cost of charitable activities | | 3,139 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,139 |
| Disbursement - Bookmark Day | | 0 | 0 | 279 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 279 |
| Disbursement - CGPS | | 0 | 0 | 0 | 30,070 | 0 | 0 | 0 | 0 | 0 | 0 | 30,070 |
| Disbursement - FFF | | 0 | 0 | 0 | 0 | 29,947 | 0 | 0 | 0 | 0 | 0 | 29,947 |
| Disbursement - GAW | | 0 | 0 | 0 | 5,164 | 0 | 0 | 0 | 0 | 0 | 0 | 5,164 |
| Disbursement - In-kind (FFF) | | 0 | 0 | 0 | 0 | 9,868 | 0 | 0 | 0 | 0 | 0 | 9,868 |
| Disbursement - In-kind (GAW) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 0 | 30,000 |
| Disbursement - LBF | | 0 | 0 | 0 | 0 | 0 | 7,162 | 0 | 0 | 0 | 0 | 7,162 |
| Disbursement - HM | | 0 | 0 | 42,698 | 44,253 | 10,950 | 0 | 0 | 0 | 0 | 0 | 109,003 |
| Staff costs | | 3,139 | 0 | 42,977 | 79,487 | 50,765 | 7,162 | 0 | 0 | 0 | 30,000 | 224,632 |
| Governance and administrative costs | | 290 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 290 |
| Bank charges | | 6,325 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,325 |
| Consultant fee (freelance) | | 195 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 195 |
| Corporate gifts | | 7,828 | 24,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,978 |
| Depreciation of property, plant and equipment | | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 78 |
| Disposal of fixed assets | | 552 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 552 |
| Entertainment and refreshment | | 33 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 |
| Fund raising expenses | | 359 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 359 |
| Insurance expense | | 6,368 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,368 |
| IT maintenance fee | | 532 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 532 |
| Medical and dental claim | | 125 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125 |
| Membership fee | | 2,958 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,958 |
| Office cleaning | | 25,643 | 24,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,793 |
| Balance c/f | | | | | | | | | | | | |

6. Expenditure (Cont'd)

| | Note | Unrestricted fund | Restricted funds | | | | | | | Total unrestricted and restricted funds | | |
|---|------|-------------------|------------------|------------|-------------------|--------------|-----------|--|-----------|---|-----------|---------|
| | | General fund | Care & Share | Career GPS | Food for Families | Grant-A-Wish | Hot Meals | Enhanced Step-Up (Service A) Programme | KidsExcel | | Lunch Box | |
| 2016 (CONT'D) | | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | |
| Governance and administrative costs (Cont'd) | | | | | | | | | | | | |
| Balance b/f | | 25,643 | 24,150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,793 |
| Office supplies | | 235 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 235 |
| Online portal charges | | 5,156 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,156 |
| Postage and courier charges | | 304 | 0 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 0 | 304 |
| Printing and stationery | | 461 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 461 |
| Professional fees | | 20,660 | 0 | 0 | 0 | 0 | 0 | 850 | 0 | 0 | 0 | 21,510 |
| Rent expense | | 10,285 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,285 |
| Repairs and maintenance | | 1,707 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,707 |
| Staff amenities | | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 |
| Staff costs | 7 | 83,425 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 83,425 |
| Telephone charges | | 2,194 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,194 |
| Temporary staff costs | | 220 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 220 |
| Transportation | | 1,292 | 0 | 193 | 192 | 168 | 14 | 0 | 19 | 0 | 0 | 1,878 |
| Utilities and conservancy | | 3,202 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,202 |
| | | 154,824 | 24,150 | 193 | 192 | 184 | 14 | 850 | 19 | 0 | 0 | 180,426 |

7. Staff costs

| | 2017 S\$ | 2016 S\$ |
|-------------------------------|----------------|----------------|
| Staff salaries | 168,288 | 142,029 |
| Staff bonuses | 51,318 | 21,284 |
| Employer CPF | 34,993 | 28,815 |
| Leave encashment | 6,120 | 0 |
| Staff insurance reimbursement | 2,196 | 0 |
| Skill development fund | 366 | 300 |
| | <u>263,281</u> | <u>192,428</u> |

The staff costs were allocated as follows:

| | | |
|---------------------------------------|----------------|----------------|
| • Cost of charitable activities | 175,681 | 109,003 |
| • Governance and administrative costs | 87,600 | 83,425 |
| | <u>263,281</u> | <u>192,498</u> |

8. Cash and cash equivalents

| | 2017 S\$ | 2016 S\$ |
|---------------|------------------|------------------|
| Cash on hand | 2,083 | 0 |
| Cash at bank | 1,075,683 | 1,537,847 |
| Fixed deposit | 200,000 | 0 |
| | <u>1,277,766</u> | <u>1,537,847</u> |

The fixed deposit mature within 11 months (2016: Nil) from the financial year end and earn interest at rate of 0.55% (2016: Nil) per annum.

9. Other receivables

| | 2017 S\$ | 2016 S\$ |
|----------------|--------------|--------------|
| Accrued income | 4,800 | 7,523 |
| Deposits | 1,043 | 1,043 |
| Prepayments | 1,053 | 1,274 |
| | <u>6,896</u> | <u>9,840</u> |

10. Inventories

| | 2017 S\$ | 2016 S\$ |
|---------------|-------------|--------------|
| Gift vouchers | 0 | 680 |
| Groceries | 185 | 2,829 |
| | <u>185</u> | <u>3,509</u> |

11. Property, plant and equipment

| | Renovation S\$ | Furniture and fittings S\$ | Office equipment S\$ | Kitchen equipment S\$ | Software S\$ | Total S\$ |
|---------------------------------|-------------------|----------------------------------|----------------------------|-----------------------------|-----------------|--------------|
| Cost | | | | | | |
| At 1 January 2015 | 60,476 | 16,941 | 14,613 | 0 | 0 | 92,030 |
| Additions | 167,191 | 9,010 | 14,470 | 11,676 | 3,209 | 205,556 |
| Disposals | (40,905) | (1,752) | (8,197) | 0 | 0 | (50,854) |
| At 31 December 2016 | 186,762 | 24,199 | 20,886 | 11,676 | 3,209 | 246,732 |
| Additions | 41,295 | 0 | 9,967 | 0 | 0 | 51,262 |
| Disposals | 0 | (12,258) | (1,832) | 0 | 0 | (14,090) |
| At 31 December 2017 | 228,057 | 11,941 | 29,021 | 11,676 | 3,209 | 283,904 |
| Accumulated depreciation | | | | | | |
| At 1 January 2015 | 56,561 | 13,137 | 13,129 | 0 | 0 | 82,827 |
| Depreciation charge | 23,090 | 4,432 | 2,987 | 1,362 | 107 | 31,978 |
| Disposals | (40,905) | (1,752) | (8,119) | 0 | 0 | (50,776) |
| At 31 December 2016 | 38,746 | 15,817 | 7,997 | 1,362 | 107 | 64,029 |
| Depreciation charge | 35,394 | 2,388 | 4,308 | 2,335 | 642 | 45,067 |
| Disposals | 0 | (12,258) | (1,832) | 0 | 0 | (14,090) |
| At 31 December 2017 | 74,140 | 5,947 | 10,473 | 3,697 | 749 | 95,006 |
| Carrying amount | | | | | | |
| 31 December 2016 | 148,016 | 8,382 | 12,889 | 10,314 | 3,102 | 182,703 |
| 31 December 2017 | 153,917 | 5,994 | 18,548 | 7,979 | 2,460 | 188,898 |

12. Other payables

| | 2017 S\$ | 2016 S\$ |
|--------------|---------------|---------------|
| Accruals | 5,800 | 55,076 |
| CPF payables | 14,184 | 6,471 |
| | <u>19,984</u> | <u>61,547</u> |

13. Unrestricted fund

General fund

The general funds are expandable at the discretion of the Board of Directors in furtherance of the Company's objects and purposes.

14. Restricted funds

Care & Share

Care and Share Fund accounts for matching grants received from the Singapore Government under its Care & Share Programme. It is a restricted fund under the Programme and should be used for the Association's capability and capacity building, new programmes and enhancements and expansion. Also up to 20% of the grants received can be used for the Company's critical existing needs.

During the financial year ended 31 December 2016, the Company has incurred expenditure of S\$249,757 and capacity building of S\$75,897 for purchase of property, plant and equipment which was funded out of Care and Share funds and utilised to support activities and programmes run by the Food for Families, Grant-A-Wish, Hot Meals and other projects.

14. Restricted funds (Cont'd)

Care & Share (Cont'd)

During the financial year ended 31 December 2017, the Company has incurred expenditure of S\$347,490 and capacity building of S\$78,382 for purchase of property, plant and equipment which was funded out of Care and Share funds and utilised to support activities and programmes run by the Food for Families, Grant-A-Wish, Hot Meals and other projects. In addition to this, there is depreciation charged for the year of S\$41,111 for assets acquired under Care and Share grant.

More details on the claims in the Care and Share grants during the financial year 31 December 2017 and 2016 are as follows:

| | 2017 S\$ | 2016 S\$ |
|--|----------------|----------------|
| Capacity building – training and manpower | 1,012 | 0 |
| Capacity building – investment in technology | 9,490 | 12,259 |
| Capacity building – physical infrastructure | 70,042 | 65,469 |
| New programmes/enhancement | 243,042 | 159,334 |
| Critical existing needs | 102,286 | 89,106 |
| | <u>425,872</u> | <u>326,168</u> |

Career GPS

This fund is used to provide students with opportunities to explore different job sectors and industries.

Food for Families

This fund is used to provide assistance to low-income families through immediate assistance (free food and/or donation of goods).

Grant-A-Wish

This fund is used to provide basic needs assistance (not covered by government or other charities) to low-income families. Grant-A-Wish is a channel students can turn to for necessities in living, education and health.

Hot Meals

This fund is used to provide meals to needy students and their families.

Enhanced Step-Up (Service A) Programme

Enhanced Step-Up is a support programme for students at risk of dropping out of school, as well as out-of-school youth.

Service A: To provide school social work services to students with attendance issues through strengthening their social and emotional resilience so that they remain in school.

This Programme was terminated in FY2015, and with remaining funding received from NCSS during FY2016 for the annual adjustment for FY2014 and FY2015. With the Programme completely closed, the Board decided to transfer the deficit balance of this restricted fund to General Fund as at 31 December 2017.

14. Restricted funds (Cont'd)

Kids Excel

This fund is to be used for Children Enrichment Program. Children Enrichment Program is a values driven, holistic programme that consists of three components: Academic via KidsExcel™ (Mathematics and English), which is closely aligned to the national syllabus; cultivation of Team Building (Sports and Drama) and Personal Development (Life Skills).

Lunch box fund

This fund is used to provide discounted sponsored lunch in school for primary students.

15. Related party transactions and balances

(a) Related party transactions and balances

In addition to the related party information disclosed elsewhere in the financial statements, the following transaction with related party took place at terms agreed between the parties during the financial year:

| | 2017 S\$ | 2016 S\$ |
|--|--------------|-------------|
| Donation received from a director | 300 | 0 |
| Donation received from a related party | <u>1,300</u> | <u>0</u> |

At the reporting date, none of the directors received any remuneration from the Company.

(b) Compensation of key management personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Key management personnel compensation for the financial year was as follows:

| | 2017 S\$ | 2016 S\$ |
|--|----------------|----------------|
| Salaries and bonuses | 101,725 | 99,400 |
| Employer's contribution to CPF | 13,699 | 11,609 |
| Other benefits | 956 | 0 |
| | <u>116,380</u> | <u>111,009</u> |
| No. of executive of the Company in remuneration bands: | | |
| Below S\$100,000 | 2 | 0 |
| Above S\$100,000 and below S\$150,000 | <u>0</u> | <u>1</u> |

16. Financial risk management

The Company is mainly exposed to credit risk, interest rate risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, interest rate risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

16. Financial risk management (Cont'd)

16.1 Credit risk

Credit risk is the potential financial loss resulting from customer defaulting on its contractual obligations to the Company.

The Company has minimal exposure to credit risks due to the nature of its activities.

16.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

| | 2017 S\$ | 2016 S\$ |
|-------------------------------|----------------|-------------|
| Fixed rate instruments | | |
| <u>Financial assets</u> | | |
| Fixed deposit | <u>200,000</u> | <u>0</u> |

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

16.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Board monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

| | Within one year S\$ | Later than one year but not later than five years S\$ | Total S\$ |
|---|------------------------|--|------------------|
| 2017 | | | |
| Financial assets | | | |
| Cash and cash equivalents | 1,277,766 | 0 | 1,277,766 |
| Other receivables (excluding prepayments) | <u>5,843</u> | <u>0</u> | <u>5,843</u> |
| | 1,283,609 | 0 | 1,283,609 |
| Financial liabilities | | | |
| Other payables | <u>(19,984)</u> | <u>0</u> | <u>(19,984)</u> |
| Net financial assets | <u>1,263,625</u> | <u>0</u> | <u>1,263,625</u> |

16. Financial risk management (Cont'd)

16.3 Liquidity risk (Cont'd)

| 2016 | Within one year S\$ | Later than one year but not later than five years S\$ | Total S\$ |
|---|------------------------|--|--------------|
| Financial assets | | | |
| Cash and cash equivalents | 1,537,847 | 0 | 1,537,847 |
| Other receivables (excluding prepayments) | 8,566 | 0 | 8,566 |
| | 1,546,413 | 0 | 1,546,413 |
| Financial liabilities | | | |
| Other payables | (61,547) | 0 | (61,547) |
| Net financial assets | 1,484,866 | 0 | 1,484,866 |

17. Fair values

As at 31 December 2017, 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. Fund raising expenses

| | 2017 S\$ | 2016 S\$ |
|--|-------------|-------------|
| Gross donations | 10,654 | 7,009 |
| Direct costs of fund raising expenses | 558 | 518 |
| Percentage of direct fund raising expenses over gross donations and sponsorships | 5% | 7% |

19. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2017 is as follows:

| | | 2017 S\$'000 | 2016 S\$'000 | Increase/ (Decrease) % |
|---|--|-----------------|-----------------|------------------------------|
| A | Unrestricted Fund | | | |
| | General fund | 1,308 | 1,347 | (2.90) |
| B | Restricted or designated funds | | | |
| | Designated fund | N/A | N/A | N/A |
| | Restricted funds | 146 | 325 | (55.08) |
| C | Endowment fund | N/A | N/A | N/A |
| D | Total Funds | 1,454 | 1,672 | (13.04) |
| E | Total Annual Operating Expenditure | 519 | 406 | 27.83 |
| F | Ratio of Funds to Annual Operating Expenditure (A/E) | 2.52 | 3.32 | |

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation 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 Administrative Costs.

20. Reserve position and policy (Cont'd)

The Company's reserve policy is as follows:

The Company sets aside a minimum of 10% of its income annually in its accounts, not totalling more than 5 years excess of projected annual expenditure in its reserves.

21. Management of conflict of interest

During the current and previous financial year, none of the directors received any remuneration from the Company.

Board and management members are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest 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 members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

22. Reclassification of comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements using the Charities Accounting Standard.

The following reclassifications were made:-

| 2016 | As previously reported S\$ | Reclassification S\$ | As reclassified S\$ |
|---|----------------------------------|-------------------------|------------------------|
| Statement of Financial Position | | | |
| Unrestricted fund | | | |
| General Fund | 1,672,352 | (325,043) | 1,347,309 |
| Restricted funds | | | |
| Care and share | 0 | 186,762 | 186,762 |
| Career GPS | 0 | (40,891) | (40,891) |
| Food for Families | 0 | 123,199 | 123,199 |
| Grant-A-Wish | 0 | 167,311 | 167,311 |
| Hot Meals | 0 | 10,229 | 10,229 |
| Enhanced Step-Up (Service A) Programme | 0 | (173,278) | (173,278) |
| KidsExcel | 0 | (19) | (19) |
| Lunch Box | 0 | 51,730 | 51,730 |

23. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on **- 2 MAY 2018**