

CHILDREN'S WISHING WELL

(Formerly known as 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 2018

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Fiducia LLP

(UEN: T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
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DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Children's Wishing Well (the "Company") for the financial year ended 31 December 2018.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Maurice Nhan	
Peter Paul Douglas	(Resigned on 31 December 2018)
Seah Gek Huang Sandra	
Ng How Yue	
Xie Sheng Jie	
Timothy Cheng Weilong	(Appointed on 30 January 2018)
Danny Chan Yak See	(Appointed on 12 March 2018)
Koh Mun Kit Desmond	(Appointed on 1 August 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 object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other 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



Ng How Yue
Director

Singapore,

Fiducia LLP

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Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Children's Wishing Well (the "Company") which comprise the financial position of the Company as at 31 December 2018, 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 2018, 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 2018 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 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:

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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.

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Independent auditor's report to the members of:

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required 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 financial 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,

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	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\$		
2018											
INCOME											
Income from generating funds											
Voluntary Income											
Donations	5	380,833	0	0	25,394	0	0	5,516	0	0	411,743
Government grants											
- NCSS - Care and Share grant		0	1,008,285	0	0	0	0	0	0	0	1,008,285
- SEC/TEC/WCS		7,485	0	0	0	0	0	0	0	0	7,485
Other grant											
- Casa Herbalife - Herbalife Nutrition Foundation		0	0	0	68,413	0	0	0	0	0	68,413
Income from charitable activities											
Donations	5	0	0	3,000	61,361	8,015	4,180	50,970	0	0	127,526
Other income											
Miscellaneous income		1,489	0	0	0	0	0	0	0	0	1,489
Total income		389,807	1,008,285	3,000	155,168	8,015	4,180	56,486	0	0	1,624,941
EXPENDITURE											
Cost of generating funds	6	347	0	0	0	0	0	0	0	0	347
Cost of charitable activities	6	5,010	0	41,819	183,123	57,257	33,130	275,649	0	0	595,988
Governance and administrative costs	6	83,180	0	0	0	0	0	0	0	0	83,180
		88,537	0	41,819	183,123	57,257	33,130	275,649	0	0	679,515
Net income/(expenditure) for the financial year		301,270	1,008,285	(38,819)	(27,955)	(49,242)	(28,950)	(219,163)	0	0	945,426
Transfer between funds		114,042	(610,037)	41,820	169,035	33,372	32,127	268,053	(48,412)	0	0
Total funds brought forward		1,307,650	(201,839)	(64,503)	147,260	183,351	(3,091)	36,521	48,412	48,412	1,453,761
Total funds carried forward		1,722,962	196,409	(61,502)	288,340	167,481	86	85,411	0	0	2,399,187

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONT'D)**

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 Programme		KidsExcel	Lunch Box
		S\$	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	0	155,576
Government grants		4,790	0	0	0	0	0	0	0	0	0	4,790
- SEC/TEC/WCS												
Activities for generating funds		10,654	0	0	0	0	0	0	0	0	0	10,654
Fund raising - Bookmark Day												
Income from charitable activities												
Donations	5	0	0	800	52,416	18,291	5,500	0	52,262	0	0	129,269
Other income												
Miscellaneous income		360	0	0	0	0	0	0	0	0	0	360
Total income		145,382	0	800	63,482	33,223	5,500	0	52,262	0	0	300,649
EXPENDITURE												
Cost of generating funds	6	792	0	0	0	0	0	0	0	0	0	792
Cost of charitable activities	6	14,118	0	31,241	109,553	84,500	26,445	0	145,319	3,318	0	414,494
Governance and administrative costs	6	103,954	0	0	0	0	0	0	0	0	0	103,954
		118,864	0	31,241	109,553	84,500	26,445	0	145,319	3,318	0	519,240
Net income/(expense) for the financial year		26,518	0	(30,441)	(46,071)	(51,277)	(20,945)	0	(93,057)	(3,318)	0	(218,591)
Transfer between funds		(66,177)	(388,601)	6,829	70,132	67,317	7,625	173,278	129,597	0	0	0
Total funds brought forward		1,347,309	186,762	(40,891)	123,199	167,311	10,229	(173,278)	(19)	51,730	1,672,352	1,672,352
Total funds carried forward		1,307,650	(201,839)	(64,503)	147,260	183,351	(3,091)	0	36,521	48,412	1,453,761	1,453,761

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	2,221,326	1,277,766
Other receivables	9	33,833	6,896
Inventories	10	2,670	185
		<u>2,257,829</u>	<u>1,284,847</u>
Non-current asset			
Property, plant and equipment	11	170,190	188,898
Total assets		<u>2,428,019</u>	<u>1,473,745</u>
LIABILITY			
Current liability			
Other payables	12	28,832	19,984
Total liability		<u>28,832</u>	<u>19,984</u>
NET ASSETS		<u>2,399,187</u>	<u>1,453,761</u>
FUNDS			
Unrestricted fund			
General fund	13	1,722,962	1,307,650
Restricted funds			
Care & Share	14	196,409	(201,839)
Career GPS	14	(61,502)	(64,503)
Food for Families	14	288,340	147,260
Grant-A-Wish	14	167,481	183,351
Hot Meals	14	86	(3,091)
KidsExcel	14	85,411	36,521
Lunch Box	14	0	48,412
		<u>676,225</u>	<u>146,111</u>
TOTAL FUNDS		<u>2,399,187</u>	<u>1,453,761</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

2018	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers from/ (to) S\$	Balance at end of financial year S\$
Unrestricted fund				
General fund	1,307,650	301,270	114,042	1,722,962
Restricted funds				
Care & Share	(201,839)	1,008,285	(610,037)	196,409
Career GPS	(64,503)	(38,819)	41,820	(61,502)
Food for Families	147,260	(27,955)	169,035	288,340
Grant-A-Wish	183,351	(49,242)	33,372	167,481
Hot Meals	(3,091)	(28,950)	32,127	86
KidsExcel	36,521	(219,163)	268,053	85,411
Lunch Box	48,412	0	(48,412)	0
	<u>146,111</u>	<u>644,156</u>	<u>(114,042)</u>	<u>676,225</u>
Total funds	<u>1,453,761</u>	<u>945,426</u>	<u>0</u>	<u>2,399,187</u>
2017	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers from/ (to) S\$	Balance at end of financial year S\$
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>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net income / (expenditure) for the financial year		945,426	(218,591)
Adjustment for depreciation	11	<u>59,209</u>	<u>45,067</u>
Operating cash flow before changes in working capital		1,004,635	(173,524)
Changes in working capital			
- Other receivables		(26,937)	2,944
- Inventories		(2,485)	3,324
- Other payables		<u>8,848</u>	<u>(41,563)</u>
Net cash generated from / (used in) operating activities		<u>984,061</u>	<u>(208,819)</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	11	<u>(40,501)</u>	<u>(51,262)</u>
Net cash used in investing activity		<u>(40,501)</u>	<u>(51,262)</u>
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		<u>943,560</u>	<u>(260,081)</u>
		1,277,766	1,537,847
Cash and cash equivalents at end of financial year	8	<u>2,221,326</u>	<u>1,277,766</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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

1. General information

Children's Wishing Well (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 Clementi Spring, Singapore 120365.

The Company was registered as charity under the Charities Act, Chapter 37 on 8 August 2002. The Company's Institution of a Public Character ("IPC") status was renewed 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).

With effect from 31 May 2018, the name of the Company was changed from Student Advisory Centre to Children's Wishing Well.

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.

The 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	3-5 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 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.5.2 Derecognition

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

2.5.3 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.

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

2. Significant accounting policies (Cont'd)

2.5 Financial assets (Cont'd)

2.5.3 Impairment (Cont'd)

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

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.

2.9 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 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. Significant accounting policies (Cont'd)

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

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

Rental on operating lease is charged to statement of financial activities.

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. Significant accounting policies (Cont'd)

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.

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 date. 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

Government grants

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

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 date 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.

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 2018 and 2017 are disclosed in Note 11 of the Financial Statements.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 December 2018 and 2017.

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.

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(Formerly known as Student Advisory Centre)
[UEN. 200201465K]

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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		Kids Excel
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2018									
INCOME									
Income from generating funds									
Voluntary income									
Donations – non tax exempt	26,604	0	0	0	0	0	0	0	26,604
Donations – tax exempt	353,072	0	0	0	0	0	0	0	353,072
Donations in kind – non tax exempt	1,157	0	0	25,394	0	0	5,516	0	32,067
	380,833	0	0	25,394	0	0	5,516	0	411,743
Income from charitable activities									
Donations – non tax exempt	0	0	0	685	1,235	0	13,948	0	15,868
Donations – tax exempt	0	0	3,000	60,676	6,780	4,180	37,022	0	111,658
	0	0	3,000	61,361	8,015	4,180	50,970	0	127,526
	380,833	0	3,000	86,755	8,015	4,180	56,486	0	539,269
2017									
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

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6. Expenditure

2018	Note	Unrestricted fund	Restricted funds							Total unrestricted and restricted funds	
		General fund	Care & Share	Career GPS	Food for Families	Grant-A-Wish	Hot Meals	Kids Excel	Lunch Box		
											S\$
Cost of generating funds											
Cost of sales of DIK		347	0	0	0	0	0	0	0	0	347
		347	0	0	0	0	0	0	0	0	347
Cost of charitable activities											
Computer and internet expenses		11	0	0	468	113	340	1,370	0	0	2,302
Corporate gifts		797	0	0	0	0	0	968	0	0	1,765
Depreciation	11	0	0	0	11,842	2,960	8,881	29,605	0	0	53,288
Disbursement – FFF		0	0	0	82,161	0	0	0	0	0	82,161
Disbursement – GAW		0	0	0	0	3,558	0	0	0	0	3,558
Disbursement – In-kind (FFF)		0	0	0	25,520	0	0	0	0	0	25,520
Disbursement – In-kind (KE)		0	0	0	0	0	0	4,016	0	0	4,016
Disbursement – KidsExcel		0	0	0	0	0	0	49	0	0	49
Insurance expenses		187	0	0	217	54	163	543	0	0	1,164
IT Maintenance fee		0	0	0	539	135	404	1,348	0	0	2,426
Office cleaning		0	0	0	956	239	717	2,391	0	0	4,303
Office supplies		0	0	0	37	9	28	186	0	0	260
Online portal charge		3,573	0	0	0	0	0	0	0	0	3,573
Postage and courier charges		0	0	0	75	3	0	324	0	0	402
Printing and stationery		96	0	0	55	14	41	585	0	0	791
Programme expenses		0	0	0	1,523	0	904	138,806	0	0	141,349
Rent expense		0	0	0	2,057	514	1,543	5,142	0	0	9,256
Repairs and maintenance		0	0	0	1,123	251	752	2,889	0	0	5,015
Secondment fee		0	0	0	17,976	17,976	8,988	17,976	0	0	80,892
Staff costs	7	0	0	0	38,738	31,104	9,457	61,906	0	0	163,188
Telephone expenses		0	0	0	231	58	174	837	0	0	1,300
Transportation		346	0	0	27	23	0	4,246	0	0	4,979
Utilities and conservancy		0	0	0	985	246	738	2,462	0	0	4,431
		5,010	0	41,819	183,123	57,257	33,130	275,649	0	0	595,988

6. Expenditure (Cont'd)

	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\$		Total S\$	
2018 (CONT'D)												
Governance and administrative costs												
Bank charges		260	0	0	0	0	0	0	0	0	0	260
Business licenses and permits		90	0	0	0	0	0	0	0	0	0	90
Computer and internet expenses		227	0	0	0	0	0	0	0	0	0	227
Depreciation	11	5,921	0	0	0	0	0	0	0	0	0	5,921
Entertainment and refreshment		1,245	0	0	0	0	0	0	0	0	0	1,245
Insurance expense		109	0	0	0	0	0	0	0	0	0	109
IT maintenance fee		270	0	0	0	0	0	0	0	0	0	270
Medical and dental claim		260	0	0	0	0	0	0	0	0	0	260
Membership fee		125	0	0	0	0	0	0	0	0	0	125
Office cleaning		478	0	0	0	0	0	0	0	0	0	478
Office supplies		19	0	0	0	0	0	0	0	0	0	19
Postage and courier charges		67	0	0	0	0	0	0	0	0	0	67
Printing and stationery		27	0	0	0	0	0	0	0	0	0	27
Professional fees		6,314	0	0	0	0	0	0	0	0	0	6,314
Rent expense		1,028	0	0	0	0	0	0	0	0	0	1,028
Repairs and maintenance		501	0	0	0	0	0	0	0	0	0	501
Secondment fee		8,988	0	0	0	0	0	0	0	0	0	8,988
Staff costs	7	55,385	0	0	0	0	0	0	0	0	0	55,385
Staff morale and welfare		100	0	0	0	0	0	0	0	0	0	100
Subscription fee		505	0	0	0	0	0	0	0	0	0	505
Telephone charges		115	0	0	0	0	0	0	0	0	0	115
Training and seminar		246	0	0	0	0	0	0	0	0	0	246
Transportation		408	0	0	0	0	0	0	0	0	0	408
Utilities and conservancy		492	0	0	0	0	0	0	0	0	0	492
Balance c/f		83,180	0	0	0	0	0	0	0	0	0	83,180

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6. Expenditure (Cont'd)

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\$		
Cost of generating funds											
Audit fee		400	0	0	0	0	0	0	0	0	400
Coin Deposit fee		70	0	0	0	0	0	0	0	0	70
Direct costs – fund raising		228	0	0	0	0	0	0	0	0	228
Printing and stationery		51	0	0	0	0	0	0	0	0	51
Transportation		43	0	0	0	0	0	0	0	0	43
		792	0	0	0	0	0	0	0	0	792
Cost of charitable activities											
Computer and internet expenses		0	0	0	454	114	340	0	0	0	2,042
Corporate gifts		1,348	0	0	0	0	0	0	0	0	1,348
Depreciation	11	0	0	0	9,013	2,253	6,760	22,534	0	0	40,560
Disbursement – CGPS		0	0	345	0	0	0	0	0	0	345
Disbursement – FFF		0	0	0	39,802	0	0	0	0	0	39,802
Disbursement – GAW		0	0	0	0	20,926	0	0	0	0	20,926
Disbursement – In-kind (FFF)		0	0	0	13,710	0	0	0	0	0	13,710
Disbursement – In-kind (GAW)		0	0	0	0	15,612	0	0	0	0	15,612
Disbursement – LBF		0	0	0	0	0	0	0	2,800	0	2,800
Disbursement – HM		0	0	0	0	0	1,483	0	0	0	1,483
Entertainment and refreshment		121	0	182	26	0	29	0	0	0	358
Insurance expenses		0	0	0	85	22	64	214	0	0	385
IT Maintenance fee		0	0	0	629	157	472	1,573	0	0	2,831
Office cleaning		0	0	0	660	165	495	1,651	0	0	2,971
Online portal charge		471	0	0	0	0	0	0	0	0	471
Office supplies		219	0	0	36	9	27	89	0	0	161
Postage and courier charges		219	0	0	0	13	0	12	5	0	249
Printing and stationery		541	0	0	29	7	21	402	0	0	1,000
Programme expenses		10,665	0	0	0	0	10	61,716	513	0	72,904
Rent expense		0	0	0	2,057	514	1,543	5,143	0	0	9,257
Repairs and maintenance		470	0	0	588	150	443	1,522	0	0	3,173
Staff costs	7	0	0	30,483	41,358	43,136	14,010	46,694	0	0	175,681
Balance c/f		13,835	0	31,010	108,447	83,078	25,697	142,684	3,318	0	408,069

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\$
Cost of charitable activities (Cont'd)										
Balance b/f		13,835	0	31,010	108,447	83,078	25,697	142,684	3,318	408,069
Telephone expenses		0	0	0	201	50	151	501	0	903
Transportation		283	0	231	150	1,183	31	247	0	2,125
Utilities and conservancy		0	0	0	755	189	566	1,887	0	3,397
		14,118	0	31,241	109,553	84,500	26,445	145,319	3,318	414,494
Governance and administrative costs										
Bank charges		220	0	0	0	0	0	0	0	220
Computer and internet expenses		227	0	0	0	0	0	0	0	227
Depreciation	11	4,507	0	0	0	0	0	0	0	4,507
Insurance expense		64	0	0	0	0	0	0	0	64
IT maintenance fee		315	0	0	0	0	0	0	0	315
Entertainment and refreshment		105	0	0	0	0	0	0	0	105
Medical and dental claim		471	0	0	0	0	0	0	0	471
Membership fee		125	0	0	0	0	0	0	0	125
Office cleaning		330	0	0	0	0	0	0	0	330
Office supplies		18	0	0	0	0	0	0	0	18
Postage and courier charges		132	0	0	0	0	0	0	0	132
Printing and stationery		15	0	0	0	0	0	0	0	15
Professional fees		6,809	0	0	0	0	0	0	0	6,809
Rent expense		1,028	0	0	0	0	0	0	0	1,028
Repairs and maintenance		399	0	0	0	0	0	0	0	399
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	0	0	0	0	0	100
Training and seminar		563	0	0	0	0	0	0	0	563
Transportation		100	0	0	0	0	0	0	0	100
Utilities and conservancy		377	0	0	0	0	0	0	0	377
		103,954	0	0	0	0	0	0	0	103,954

7. Staff costs

	2018 S\$	2017 S\$
Staff salaries	162,598	168,288
Staff bonuses	23,313	51,318
Employer CPF	31,504	34,993
Leave encashment	750	6,120
Staff insurance reimbursement	0	2,196
Skill development fund	408	366
	218,573	263,281

The staff costs were allocated as follows:

• Cost of charitable activities	163,188	175,681
• Governance and administrative costs	55,385	87,600
	218,573	263,281

8. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	1,724	2,083
Cash at bank	2,018,499	1,075,683
Fixed deposit	201,103	200,000
	2,221,326	1,277,766

The fixed deposit mature within 11 months (2017: 11 months) from the financial year end and earn interest at rate of 0.55% (2017: 0.55%) per annum.

9. Other receivables

	2018 S\$	2017 S\$
Accrued income	31,376	4,800
Deposits	1,173	1,043
Prepayments	1,284	1,053
	33,833	6,896

10. Inventories

	2018 S\$	2017 S\$
Gift vouchers	2,670	0
Groceries	0	185
	2,670	185

The inventories consists of gift voucher and groceries for those needed families.

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 2016	186,762	24,199	20,886	11,676	3,209	246,732
Additions	41,295	0	9,967	0	0	51,262
Disposals/written off	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
Additions	14,678	2,467	23,356	0	0	40,501
Written off	(19,571)	0	0	0	0	(19,571)
At 31 December 2018	223,164	14,408	52,377	11,676	3,209	304,834
Accumulated depreciation						
At 1 January 2016	38,746	15,817	7,997	1,362	107	64,029
Depreciation	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
Depreciation	43,558	2,690	9,984	2,335	642	59,209
Written off	(19,571)	0	0	0	0	(19,571)
At 31 December 2018	98,127	8,637	20,457	6,032	1,391	134,644
Carrying amount						
31 December 2017	153,917	5,994	18,548	7,979	2,460	188,898
31 December 2018	125,037	5,771	31,920	5,644	1,818	170,190

	2018			2017		
	Unrestricted fund S\$	Restricted fund S\$	Total S\$	Unrestricted fund S\$	Restricted fund S\$	Total S\$
<u>The breakdown of the depreciation charge as follows:</u>						
Cost of charitable activities	0	53,288	53,288	0	40,561	40,561
Governance and other administrative costs	5,921	0	5,921	4,506	0	4,506
	5,921	53,288	59,209	4,506	0	45,067

12. Other payables

	2018 S\$	2017 S\$
Accruals	14,929	5,800
CPF payables	13,903	14,184
	<u>28,832</u>	<u>19,984</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 Company'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.

In prior year, 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 financial year of S\$41,111 for assets acquired under Care and Share grant.

During the financial year ended 31 December 2018, the Company has incurred expenditure of S\$551,817 and capacity building of S\$40,501 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 financial year of S\$58,622 for assets acquired under Care and Share grant.

More details on the claims in the Care and Share grants during the financial years 31 December 2018 and 2017 are as follows:

	2018 S\$	2017 S\$
Capacity building – training and manpower	246	1,012
Capacity building – investment in technology	17,546	9,490
Capacity building – physical infrastructure	24,246	70,042
New programmes/enhancement	419,901	243,042
Critical existing needs	130,379	102,286
	<u>592,318</u>	<u>425,872</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.

14. Restricted funds (Cont'd)

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.

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, Learning Journeys, Counselling and psychological services, and mentorship).

Lunch box fund

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

This programme was terminated in FY 2017 and the Board have approved to transfer the surplus balance of the restricted fund – Lunch Box to restricted fund - Food for Families fund to support the activities under the Food for Families.

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:

	2018 S\$	2017 S\$
Donation received from directors	<u>582</u>	<u>1,300</u>

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

15. Related party transactions and balances (Cont'd)

(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:

	2018 S\$	2017 S\$
Salaries and bonuses	14,313	101,725
Secondment fee	89,880	0
Employer's contribution to CPF	2,208	13,699
Other benefits	0	956
	106,401	116,380
No. of executive of the Company in remuneration bands:		
Below S\$100,000	2	2
Above S\$100,000 and below S\$150,000	0	0

Secondment fee is paid to the Ministry of Health for the secondment of Chief Executive Officer to Company.

16. Fund raising expenses

	2018 S\$	2017 S\$
Gross donations	0	10,654
Direct costs of fund raising expenses	0	558
Percentage of direct fund raising expenses over gross donations and sponsorships	N/A	5%

17. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2018 is as follows:

		2018 S\$'000	2017 S\$'000	Increase/ (Decrease) %
A	Unrestricted Fund			
	General fund	1,723	1,308	31.73
B	Restricted or designated funds			
	Designated fund	N/A	N/A	N/A
	Restricted funds	676	146	363.01
C	Endowment fund	N/A	N/A	N/A
D	Total Funds	2,399	1,454	64.99
E	Total Annual Operating Expenditure	680	519	31.02
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.53	2.52	

17. Reserve position and policy (Cont'd)

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.

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.

18. 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.

19. Comparative figures

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

The following reclassification were made:

2017	As previously reported S\$	Reclassification S\$	As reclassification S\$
Statement of Financial Activities			
Expenditure			
Cost of generating funds	564	228	792
Cost of charitable activities	270,359	144,135	414,494
Governance and administrative costs	248,317	(144,363)	103,954

20. Authorisation of financial statements

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