

CHILDREN'S WISHING WELL

[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 2019

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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
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 Children's Wishing Well (the "Company") for the financial year ended 31 December 2019.

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 2019 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
Seah Gek Huang Sandra
Ng How Yue
Xie Sheng Jie
Timothy Cheng Weilong
Danny Chan Yak See
Koh Mun Kit Desmond
Lim Kwee Choo (Appointed on 23 July 2019)

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 auditor

The independent auditor, 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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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 financial statements of Children's Wishing Well (the "Company") which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and 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 2019 and of the financial performance, changes in the funds and cash flows of the Company for the 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- a. the Company has not 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: Soo Hon Weng
PAB. No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

2019	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds	
		General fund	Care & Share	Career GPS	Food for Families	Grant-A-Wish	Hot Meals		Children Enrichment Programme
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	
INCOME									
Income from generating funds									
<i>Voluntary income</i>									
Donations	5	1,018,166	0	0	9,384	5,450	0	10,080	1,043,080
Government grants									
- NCSS – VCF-IPG Grant		23,290	0	0	0	0	0	0	23,290
- SEC/TEC/WCS		8,454	0	0	0	0	0	0	8,454
Income from charitable activities									
Donations	5	80	0	3,819	43,003	480	2,000	230,445	279,827
Government grants									
- Tote Board		0	0	0	0	0	0	345,208	345,208
- WeCareArt		0	0	0	0	0	0	2,627	2,627
Other grant									
- Casa Herbalife - Herbalife Nutrition Foundation		0	0	0	0	0	0	19,087	19,087
Other income									
Interest income		19,606	0	0	0	0	0	0	19,606
Miscellaneous income		40	0	0	0	0	0	0	40
Total income		1,069,636	0	3,819	52,387	5,930	2,000	607,447	1,741,219
EXPENDITURE									
Cost of generating funds	6	3,459	0	0	0	0	0	0	3,459
Cost of charitable activities	6	0	0	28,278	173,777	76,998	7,660	761,250	1,047,963
Governance and administrative costs	6	108,353	0	0	0	0	0	0	108,353
		111,812	0	28,278	173,777	76,998	7,660	761,250	1,159,775
Net income/(expenditure) for the financial year		957,824	0	(24,459)	(121,390)	(71,068)	(5,660)	(153,803)	581,444
Transfer between funds		10,418	(235,216)	8,181	(166,950)	0	5,574	377,993	0
Total funds brought forward		1,722,692	196,409	(61,502)	288,340	167,481	86	85,411	2,339,187
Total funds carried forward		2,691,204	(38,807)	(77,780)	0	96,413	0	309,601	2,980,631

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (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	KidsExcel	Lunch Box	
2018		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME										
Income from generating funds										
<u>Voluntary income</u>										
Donations	5	380,833	0	0	25,394	0	0	5,516	0	411,743
Government grants										
- NCSS – Care and Share grant		0	1,008,285	0	0	0	0	0	0	1,008,285
- SEC/TEC/WCS		7,485	0	0	0	0	0	0	0	7,485
Income from charitable activities										
Donations	5	0	0	3,000	61,361	8,015	4,180	50,970	0	127,526
Other grant										
- Casa Herbalife - Herbalife Nutrition Foundation		0	0	0	68,413	0	0	0	0	68,413
Other income										
Miscellaneous income		1,489	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	1,624,941
EXPENDITURE										
Cost of generating funds	6	3,920	0	0	0	0	0	0	0	3,920
Cost of charitable activities	6	1,437	0	41,819	183,123	57,257	33,130	275,649	0	593,415
Governance and administrative costs	6	83,180	0	0	0	0	0	0	0	83,180
		88,537	0	41,819	183,123	57,257	33,130	275,649	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	945,426
Transfer between funds		114,042	(610,037)	41,820	169,035	33,372	32,127	268,053	(48,412)	0
Total funds brought forward		1,307,650	(201,839)	(64,503)	147,260	183,351	(3,091)	36,521	48,412	1,453,761
Total funds carried forward		1,722,962	196,409	(61,502)	288,340	167,481	86	85,411	0	2,399,187

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	2,851,384	2,221,326
Other receivables	9	14,720	33,833
Inventories	10	7,110	2,670
		<u>2,873,214</u>	<u>2,257,829</u>
Non-current asset			
Property, plant and equipment	11	<u>148,944</u>	<u>170,190</u>
Total assets		<u>3,022,158</u>	<u>2,428,019</u>
LIABILITY			
Current liability			
Other payables	12	<u>27,427</u>	<u>28,832</u>
Non-current liability			
Other payable	12	<u>14,100</u>	<u>0</u>
Total liability		<u>41,527</u>	<u>28,832</u>
NET ASSETS		<u>2,980,631</u>	<u>2,399,187</u>
FUNDS			
Unrestricted fund			
General fund	13	2,691,204	1,722,962
Restricted funds			
Care & Share	14	(38,807)	196,409
Career GPS	14	(77,780)	(61,502)
Food for Families	14	0	288,340
Grant-A-Wish	14	96,413	167,481
Hot Meals	14	0	86
Children Enrichment Programme/KidsExcel	14	309,601	85,411
Lunch Box	14	0	0
		<u>289,427</u>	<u>676,225</u>
TOTAL FUNDS		<u>2,980,631</u>	<u>2,399,187</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	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\$
2019				
Unrestricted fund				
General fund	1,722,962	957,824	10,418	2,691,204
Restricted funds				
Care & Share	196,409	0	(235,216)	(38,807)
Career GPS	(61,502)	(24,459)	8,181	(77,780)
Food for Families	288,340	(121,390)	(166,950)	0
Grant-A-Wish	167,481	(71,068)	0	96,413
Hot Meals	86	(5,660)	5,574	0
Children Enrichment Programme/KidsExcel	85,411	(153,803)	377,993	309,601
Lunch Box	0	0	0	0
	<u>676,225</u>	<u>(376,380)</u>	<u>(10,418)</u>	<u>289,427</u>
Total funds	<u>2,399,187</u>	<u>581,444</u>	<u>0</u>	<u>2,980,631</u>
	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\$
2018				
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>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income for the financial year		581,444	945,426
Adjustment for:			
- Depreciation	11	64,283	59,209
- Interest income		(19,606)	0
- Written off of plant and equipment		225	0
Operating cash flow before working capital changes		<u>626,346</u>	<u>1,004,635</u>
Changes in working capital			
- Other receivables		19,113	(26,937)
- Inventories		(4,440)	(2,485)
- Other payables		12,695	8,848
Net cash generated from operating activities		<u>653,714</u>	<u>984,061</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	11	(43,262)	(40,501)
Interest received		19,606	0
Net cash used in investing activity		<u>(23,656)</u>	<u>(40,501)</u>
Net increase in cash and cash equivalents		630,058	943,560
Cash and cash equivalents at beginning of financial year		<u>2,221,326</u>	<u>1,277,766</u>
Cash and cash equivalents at end of financial year	8	<u><u>2,851,384</u></u>	<u><u>2,221,326</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 2019

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 is a company limited by guarantee. 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 2019 to 30 June 2022.

Each member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding Singapore Dollar Ten (S\$10).

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 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 Other income

Other income is recognised upon received.

2. Significant accounting policies (Cont'd)

2.3 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.4 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.

2.4.1 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.

2.4.2 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.

2.4.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Property, plant and equipment

2.5.1 Measurement

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

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

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

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 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 to 5 years
Kitchen equipment	5 years
Software	5 years
Reinstatement cost	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.

2.5.3 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.

2.5.4 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.

2.6 Financial assets

2.6.1 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.

2.6.2 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. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.3 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".

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.

2.7 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.

2.8 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.

2.9 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)

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 Employee compensation

2.14.1 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.

2.14.2 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. Significant accounting policies (Cont'd)

2.15 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.

2.16 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.

2.17 Events after the reporting dates

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.

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 the accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the 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.

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 2019 and 2018 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 2019 and 2018.

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	Children Enrichment Programme	Lunch Box	
2019	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME									
Income from generating funds									
<i>Voluntary income</i>									
Donations – non tax exempt	283,511	0	0	0	0	0	0	0	283,511
Donations – tax exempt	732,255	0	0	0	0	0	0	0	732,255
Donations in kind – non tax exempt	2,400	0	0	9,384	5,450	0	10,080	0	27,314
	<u>1,018,166</u>	<u>0</u>	<u>0</u>	<u>9,384</u>	<u>5,450</u>	<u>0</u>	<u>10,080</u>	<u>0</u>	<u>1,043,080</u>
Income from charitable activities									
Donations – non tax exempt	80	0	3,819	14,079	0	0	133,546	0	151,524
Donations – tax exempt	0	0	0	28,924	480	2,000	96,899	0	128,303
	<u>80</u>	<u>0</u>	<u>3,819</u>	<u>43,003</u>	<u>480</u>	<u>2,000</u>	<u>230,445</u>	<u>0</u>	<u>279,827</u>
	<u>1,018,246</u>	<u>0</u>	<u>3,819</u>	<u>52,387</u>	<u>5,930</u>	<u>2,000</u>	<u>240,525</u>	<u>0</u>	<u>1,322,907</u>

5. Donations (Cont'd)

	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	
2018	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
INCOME									
Income from generating funds									
<u>Voluntary income</u>									
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
	<u>380,833</u>	<u>0</u>	<u>0</u>	<u>25,394</u>	<u>0</u>	<u>0</u>	<u>5,516</u>	<u>0</u>	<u>411,743</u>
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
	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>61,361</u>	<u>8,015</u>	<u>4,180</u>	<u>50,970</u>	<u>0</u>	<u>127,526</u>
	<u>380,833</u>	<u>0</u>	<u>3,000</u>	<u>86,755</u>	<u>8,015</u>	<u>4,180</u>	<u>56,486</u>	<u>0</u>	<u>539,269</u>

6. Expenditure

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds	
		General fund	Care & Share	Career GPS	Food for Families	Grant-A-Wish	Hot Meals		Children Enrichment Programme
		S\$	S\$	S\$	S\$	S\$	S\$		S\$
Cost of generating funds									
Online portal charge		3,459	0	0	0	0	0	0	3,459
		<u>3,459</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,459</u>
Cost of charitable activities									
Computer and internet expenses		0	0	0	0	0	2,386	2,386	
Depreciation	11	0	0	0	0	0	57,855	57,855	
Disbursement – FFF		0	0	0	109,429	0	0	109,429	
Disbursement – GAW		0	0	0	0	28,204	0	28,204	
Disbursement - In-kind (FFF)		0	0	0	20,394	0	11,650	32,044	
Disbursement - In-kind (GAW)		0	0	0	0	5,450	0	5,450	
Disbursement - In-kind (KE)		0	0	0	0	0	15,180	15,180	
Staff costs	7	0	0	24,208	35,612	39,259	6,971	185,342	291,392
Insurance expenses		0	0	0	0	0	1,567	1,567	
IT Maintenance fee		0	0	0	0	0	116	116	
Corporate gift		0	0	0	0	0	106	106	
Meals and entertainment		0	0	0	0	0	1,640	1,640	
Office cleaning		0	0	0	0	0	7,872	7,872	
Office supplies		0	0	0	0	0	353	353	
Postage and courier charges		0	0	0	45	40	0	3	88
Printing and stationery		0	0	0	0	0	2,001	2,001	
Programme expenses		0	0	0	0	0	689	376,249	376,938
Rent expense		0	0	0	0	0	0	9,256	9,256
Repairs and maintenance		0	0	0	161	0	0	3,519	3,680
Secondment fee		0	0	4,045	8,089	4,045	0	64,714	80,893
Telephone expenses		0	0	0	0	0	0	1,233	1,233
Transportation		0	0	25	47	0	0	13,838	13,910
Training and seminars		0	0	0	0	0	0	614	614
Utilities and conservancy		0	0	0	0	0	0	5,756	5,756
		<u>0</u>	<u>0</u>	<u>28,278</u>	<u>173,777</u>	<u>76,998</u>	<u>7,660</u>	<u>761,250</u>	<u>1,047,963</u>

6. Expenditure (Cont'd)

	Note	Unrestricted fund	Restricted funds					Children Enrichment Programme	Total unrestricted and restricted funds
		General fund	Care & Share	Career GPS	Food for Families	Grant-A-Wish	Hot Meals		
2019 (CONT'D)		S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Governance and administrative costs									
Bank charges		307	0	0	0	0	0	307	
Business licenses and permits		90	0	0	0	0	0	90	
Computer and internet expenses		217	0	0	0	0	0	217	
Depreciation	11	6,428	0	0	0	0	0	6,428	
Entertainment and refreshment		1,301	0	0	0	0	0	1,301	
Insurance expense		127	0	0	0	0	0	127	
IT maintenance fee		23,303	0	0	0	0	0	23,303	
Corporate gift		129	0	0	0	0	0	129	
Medical and dental claim		450	0	0	0	0	0	450	
Membership fee		198	0	0	0	0	0	198	
Office cleaning		869	0	0	0	0	0	869	
Office supplies		15	0	0	0	0	0	15	
Postage and courier charges		138	0	0	0	0	0	138	
Printing and stationery		156	0	0	0	0	0	156	
Professional fees		13,771	0	0	0	0	0	13,771	
Rent expense		1,029	0	0	0	0	0	1,029	
Repairs and maintenance		255	0	0	0	0	0	255	
Secondment fee		26,964	0	0	0	0	0	26,964	
Staff costs	7	30,048	0	0	0	0	0	30,048	
Staff morale and welfare		64	0	0	0	0	0	64	
Subscription fee		616	0	0	0	0	0	616	
Telephone charges		99	0	0	0	0	0	99	
Training and seminar		685	0	0	0	0	0	685	
Transportation		229	0	0	0	0	0	229	
Utilities and conservancy		640	0	0	0	0	0	640	
Written off of plant and equipment		225	0	0	0	0	0	225	
		<u>108,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>108,353</u>	

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	Kids Excel	Lunch Box	
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2018										
Cost of generating funds										
Cost of sales of DIK		347	0	0	0	0	0	0	0	347
Online portal charge		3,573	0	0	0	0	0	0	0	3,573
		<u>3,920</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,920</u>
Cost of charitable activities										
Computer and internet expenses		11	0	0	468	113	340	1,370	0	2,302
Depreciation	11	0	0	0	11,842	2,960	8,881	29,605	0	53,288
Disbursement – FFF		0	0	0	82,161	0	0	0	0	82,161
Disbursement – GAW		0	0	0	0	3,558	0	0	0	3,558
Disbursement - In-kind (FFF)		0	0	0	25,520	0	0	0	0	25,520
Disbursement - In-kind (KE)		0	0	0	0	0	0	4,016	0	4,016
Disbursement – KidsExcel		0	0	0	0	0	0	49	0	49
Staff costs	7	0	0	21,983	38,738	31,104	9,457	61,906	0	163,188
Insurance expenses		187	0	0	217	54	163	543	0	1,164
IT Maintenance fee		0	0	0	539	135	404	1,348	0	2,426
Corporate gift		797	0	0	0	0	0	968	0	1,765
Office cleaning		0	0	0	956	239	717	2,391	0	4,303
Office supplies		0	0	0	37	9	28	186	0	260
Postage and courier charges		0	0	0	75	3	0	324	0	402
Printing and stationery		96	0	0	55	14	41	585	0	791
Programme expenses		0	0	1,523	116	0	904	138,806	0	141,349
Rent expense		0	0	0	2,057	514	1,543	5,142	0	9,256
Repairs and maintenance		0	0	0	1,123	251	752	2,889	0	5,015
Secondment fee		0	0	17,976	17,976	17,976	8,988	17,976	0	80,892
Telephone expenses		0	0	0	231	58	174	837	0	1,300
Transportation		346	0	337	27	23	0	4,246	0	4,979
Utilities and conservancy		0	0	0	985	246	738	2,462	0	4,431
		<u>1,437</u>	<u>0</u>	<u>41,819</u>	<u>183,123</u>	<u>57,257</u>	<u>33,130</u>	<u>275,649</u>	<u>0</u>	<u>593,415</u>

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

7. Staff costs

	2019 S\$	2018 S\$
Staff salaries	232,703	162,598
Staff bonuses	39,877	23,313
Employer CPF	46,642	31,504
Leave encashment	1,649	750
Skill development fund	569	408
	321,440	218,573

The staff costs were allocated as follows:

• Cost of charitable activities	291,392	163,188
• Governance and administrative costs	30,048	55,385
	321,440	218,573

8. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash on hand	2,266	1,724
Cash at bank	1,849,118	2,018,499
Fixed deposit	1,000,000	201,103
	2,851,384	2,221,326

The fixed deposit mature within 11 months (2018: 11 months) from the financial year end and earn interest at rate of 2.02% to 2.22% (2018: 0.55%) per annum.

9. Other receivables

	2019 S\$	2018 S\$
Accrued income	12,287	31,376
Deposits	1,053	1,173
Prepayments	1,380	1,284
	14,720	33,833

10. Inventories

	2019 S\$	2018 S\$
Gift vouchers	7,110	2,670

The inventories consists of gift voucher to be distribute to those needed families.

11. Property, plant and equipment

	Renovation S\$	Furniture and fittings S\$	Office equipment S\$	Kitchen equipment S\$	Software S\$	Reinstatement	Total S\$
Cost							
At 1 January 2018	228,057	11,941	29,021	11,676	3,209	0	283,904
Additions	14,678	2,467	23,356	0	0	0	40,501
Written off	(19,571)	0	0	0	0	0	(19,571)
At 31 December 2018	223,164	14,408	52,377	11,676	3,209	0	304,834
Additions	16,508	3,472	9,182	0	0	14,100	43,262
Written off	0	0	(501)	0	0	0	(501)
At 31 December 2019	239,672	17,880	61,058	11,676	3,209	14,100	347,595
Accumulated depreciation							
At 1 January 2018	74,140	5,947	10,473	3,697	749	0	95,006
Depreciation	43,558	2,690	9,984	2,335	642	0	59,209
Written off	(19,571)	0	0	0	0	0	(19,571)
At 31 December 2018	98,127	8,637	20,457	6,032	1,391	0	134,644
Depreciation	46,559	2,736	10,601	2,335	642	1,410	64,283
Written off	0	0	(276)	0	0	0	(276)
At 31 December 2019	144,686	11,373	30,782	8,367	2,033	1,410	198,651
Carrying amount							
31 December 2018	125,037	5,771	31,920	5,644	1,818	0	170,190
31 December 2019	94,986	6,507	30,276	3,309	1,176	12,690	148,944

	2019			2018		
	Unrestricted fund S\$	Restricted fund S\$	Total S\$	Unrestricted fund S\$	Restricted fund S\$	Total S\$

The breakdown of the depreciation charge as follows:

Cost of charitable activities	0	57,855	57,855	0	53,288	53,288
Governance and other administrative costs	6,428	0	6,428	5,921	0	5,921
	6,428	57,855	64,283	5,921	53,288	59,209

12. Other payables

	2019 S\$	2018 S\$
Current liability		
Accruals	5,523	14,929
CPF payables	21,904	13,903
	<u>27,427</u>	<u>28,832</u>
Non-current liability		
Provision of reinstatement cost	<u>14,100</u>	<u>0</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\$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\$58,662 for assets acquired under Care and Share grant.

During the financial year ended 31 December 2019, the Company has incurred expenditure of S\$170,933 and capacity building of S\$20,131 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\$64,283 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 2019 and 2018 are as follows:

	2019 S\$	2018 S\$
Capacity building – training and manpower	692	246
Capacity building – investment in technology	3,387	17,546
Capacity building – physical infrastructure	16,744	24,246
New programmes/enhancement	166,252	419,901
Critical existing needs	3,989	130,379
	<u>191,064</u>	<u>592,318</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). On 1 October 2019, the Board have approved to transfer the fund balance into restricted fund - Children Enrichment Program.

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.

14. Restricted funds (Cont'd)

Hot Meals

This fund is used to provide meals to needy students and their families. On 1 October 2019, the Board have approved to transfer the fund balance into restricted fund - Children Enrichment Program.

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).

On 1 October 2019, the Board have approved to rename the restricted fund – Kids Excel to Children Enrichment Programme.

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 during the financial year ended 2018 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:

	2019 S\$	2018 S\$
Donation received from directors	<u>2,264</u>	<u>582</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:

	2019 S\$	2018 S\$
Salaries and bonuses	0	14,313
Secondment fee	107,856	89,880
Employer's contribution to CPF	0	2,208
Other benefits	0	0
	<u>107,856</u>	<u>106,401</u>
No. of executive of the Company in remuneration bands:		
Below S\$100,000	0	2
Above S\$100,000 and below S\$150,000	<u>1</u>	<u>0</u>

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

16. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2019 is as follows:

		2019 S\$'000	2018 S\$'000	Increase/ (Decrease) %
A	Unrestricted Fund			
	General fund	2,691	1,723	56.19
B	Restricted or designated funds			
	Designated fund	N/A	N/A	N/A
	Restricted funds	289	676	(57.19)
C	Endowment fund	N/A	N/A	N/A
D	Total Funds	2,981	2,399	24.24
E	Total Annual Operating Expenditure	1,160	680	70.56
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.32	2.53	

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. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on