

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

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

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 SEPTEMBER 2019**

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and

Chartered Accountants of Singapore

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

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of **Clarity Singapore Limited** (the "Company") for the financial year ended 30 September 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 30 September 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 as follows:

Staes Paul E
Chen Kim Hin Clement
Dr. Cheok Cheng Soon Christopher
Tan Peng Chin Joseph Haydn
Belinda Young Hsien Lin
Choo Wee Jin Philip
Phua Siok Gek Cynthia
Chan Pee Teck Peter
Lam Kok Wai, Peter (Lin Guowel, Peter)
Yeo Yul Chuan, Benjamin (Yang Yaoquan)

Arrangements to enable directors to acquire shares and debentures

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

Other matters

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

DIRECTORS' STATEMENT (CONT'D)

Independent Auditor

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

For and on behalf of the Board of directors,



Dr. Cheok Cheng Soon Christopher
Director



Lam Kok Wai, Peter
Director

Singapore, 18 FEB 2020

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Independent auditor's report to the members of:

CLARITY SINGAPORE LIMITED

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Clarity Singapore Limited** (the "Company"), which comprise the statement of financial position as at 30 September 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 September 2019, and of the financial performance, changes in the funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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(CONT'D)

Independent auditor's report to the members of:

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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Independent auditor's report to the members of:

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

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

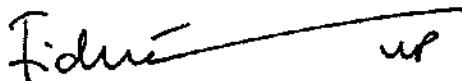
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

- a) the Company has not used the donation moneys in accordance with the objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 18 FEB 2020

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

		Unrestricted Fund	Restricted Funds	Total Funds
2019	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		390,769	653,922	1,044,691
Income from charitable activities		46,995	32,420	79,415
Other income		25,292	0	25,292
TOTAL INCOME	4, 5	<u>463,056</u>	<u>686,342</u>	<u>1,149,398</u>
LESS: EXPENDITURE				
Cost of charitable activities		75,069	599,864	674,933
Governance and other administrative cost		211,347	215,794	427,141
TOTAL EXPENDITURE	4	<u>286,416</u>	<u>815,658</u>	<u>1,102,074</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u>176,640</u>	<u>(129,316)</u>	<u>47,324</u>
		Unrestricted Fund	Restricted Funds	Total Funds
2018	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		589,726	925,786	1,515,512
Income from charitable activities		19,890	20,915	40,805
Other income		34,376	0	34,376
TOTAL INCOME	4, 5	<u>643,992</u>	<u>946,701</u>	<u>1,590,693</u>
LESS: EXPENDITURE				
Cost of generating funds		11,217	0	11,217
Cost of charitable activities		32,596	573,344	605,940
Governance and other administrative cost		43,214	305,989	349,203
TOTAL EXPENDITURE	4	<u>87,027</u>	<u>879,333</u>	<u>966,360</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>556,965</u>	<u>67,368</u>	<u>624,333</u>

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

Clarity Singapore Limited

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Audited Financial Statements

Financial Year Ended 30 September 2019

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and bank balances	8	1,912,459	1,700,696
Trade and other receivables	9	177,396	331,591
		<u>2,089,855</u>	<u>2,032,287</u>
Non-current assets			
Property, plant and equipment	10	<u>15,957</u>	<u>23,262</u>
Total assets		<u>2,105,812</u>	<u>2,055,549</u>
LIABILITIES			
Current liabilities			
Other payables	11	<u>59,850</u>	<u>56,911</u>
Total liabilities		<u>59,850</u>	<u>56,911</u>
NET ASSETS		<u>2,045,962</u>	<u>1,998,638</u>
FUNDS			
Unrestricted fund			
General fund	12	<u>2,052,110</u>	<u>1,875,470</u>
Restricted funds			
Care and share matching grant	13	(134,437)	50,056
Comit@North	13	93,000	49,559
Pledge It Forward Campaign	13	2,173	4,448
Better and Happier Youth	13	33,116	19,105
Maternal Mental Health Initiative	13	0	0
		<u>(6,148)</u>	<u>123,168</u>
		<u>2,045,962</u>	<u>1,998,638</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Balance at end of year S\$
2019			
Unrestricted fund			
General fund	<u>1,875,470</u>	<u>176,640</u>	<u>2,052,110</u>
Restricted funds			
Care and share matching grant	50,056	(184,493)	(134,437)
Comit@North	49,559	43,441	93,000
Pledge It Forward Campaign	4,448	(2,275)	2,173
Better and Happier Youth	<u>19,105</u>	<u>14,011</u>	<u>33,116</u>
	<u>123,168</u>	<u>(129,316)</u>	<u>(6,148)</u>
	<u>1,998,638</u>	<u>47,324</u>	<u>2,045,962</u>
	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Balance at end of year S\$
2018			
Unrestricted fund			
General fund	<u>1,318,505</u>	<u>556,965</u>	<u>1,875,470</u>
Restricted funds			
Care and share matching grant	55,800	(5,744)	50,056
Comit@North	0	49,559	49,559
Pledge It Forward Campaign	0	4,448	4,448
Better and Happier Youth	<u>0</u>	<u>19,105</u>	<u>19,105</u>
	<u>55,800</u>	<u>67,368</u>	<u>123,168</u>
	<u>1,374,305</u>	<u>624,333</u>	<u>1,998,638</u>

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

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Audited Financial Statements
Financial Year Ended 30 September 2019**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Surplus for the financial year		47,324	624,333
Adjustments for:			
- Depreciation	10	23,312	22,411
- Interest income		(8,958)	(6,280)
- Property, plant and equipment written off		0	9
Operating cash flow before working capital changes		<u>61,678</u>	<u>640,473</u>
Changes in working capital			
- Trade and other receivables		154,195	(244,334)
- Other payables		<u>2,939</u>	<u>11,399</u>
Net cash generated by operating activities		<u>218,812</u>	<u>407,538</u>
Cash flows from investing activities			
Interest received		8,958	6,280
Placement of fixed deposits with maturity over 3 months		(550,000)	(550,000)
Proceeds from withdrawal of fixed deposits		550,000	250,000
Purchases of property, plant and equipment	10	<u>(16,007)</u>	<u>(42,701)</u>
Net cash used in investing activities		<u>(7,049)</u>	<u>(336,421)</u>
Net increase in cash and cash equivalents		211,763	71,117
Cash and cash equivalents at beginning of financial year		<u>1,150,696</u>	<u>1,079,579</u>
Cash and cash equivalents at end of financial year	8	<u>1,362,459</u>	<u>1,150,696</u>
Cash and cash equivalents comprise:			
Cash on hand		650	650
Cash at bank		361,809	150,046
Fixed deposits		<u>1,550,000</u>	<u>1,550,000</u>
		1,912,459	1,700,696
Less: fixed deposits with maturity over 3 months		<u>(550,000)</u>	<u>(550,000)</u>
	8	<u>1,362,459</u>	<u>1,150,696</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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

1. General information

Clarity Singapore Limited (the "Company") was incorporated on 10 October 2010 as a company limited by guarantee and not having a share capital. Each member of the company undertakes to meet the debts and liabilities of the Company, in the event of liquidation, to an amount not exceeding S\$10 per member. As at 30 September 2019, the Company has 11 members (2018: 11 members).

The Company registered as a Charity under the Charities Act, Chapter 37 on 03 December 2010. It has been accorded an Institute of Public Character ('IPC') status since 03 December 2010 and has been renewed on 01 December 2017 and due to expire on 31 August 2020.

The address of the Company's registered office and principal place of business is at Block 854, #01-3511, Yishun Ring Road, Singapore 760854. As at 01 September 2015, the Company has a second service location at Agape Village, 7A Lorong 8 Toa Payoh, #04-01 Singapore 319264. As at 01 September 2018, the Company has a third service location at Mount Alvernia, 820 Thomson Road, #01-21 Mount Alvernia Medical Centre B, Singapore 574623.

The principal activities of the Company are:

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") and the disclosure requirements of the Companies Act, Chapter 50 and Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. All financial information presented are denominated in S\$ unless otherwise stated.

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

2. Significant accounting policies (Cont'd)**2.1 Basis of preparation (cont'd)****Interpretations and amendments to published standards effective in 2018**

On 01 October 2018, the Company adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

Standards issued has not yet effective

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

Descriptions	Annual periods commencing on
FRS 116 Leases Amendments to: - FRS 19 Employee benefit (Plan Amendment, Curtailment or Settlement) - FRS 109 Financial Instruments (Prepayment Features with Negative Compensation)	1 January 2019
Amendments to: - FRS 103 Business Combination (Definition of a business)	1 January 2020
FRS 117 Insurance Contracts	1 January 2021

Except for FRS 116, the directors expect that the adoption of other standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases

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

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Company satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Where the grants relates to an asset, the fair value is recognised as funds on the statement of financial position and is amortised to the statement of financial activities over the expected useful lives of the relevant asset by equal annual instalments.

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

2.2.3 Rendering of services

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

2.2.4 Other income

Other income is recognised when earned.

2.3 Expenditure recognition

All expenses are accounted for on an accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition (cont'd)

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total cost of charitable activities comprises of direct cost and apportionment of overhead and shared costs.

2.3.3 Governance and administrative costs

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

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are recognised 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 cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2.4.2 Depreciation

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

	Useful Lives
Computers	1 year
Furniture	5 years
Fixtures and Fittings	3 years
Office equipment	3 years
Renovation	3 years

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

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (cont'd)

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is recognised in profit or loss.

2.5 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

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

A reversal of impairment loss for an asset is recognised in statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Financial assets

- (a) The accounting for financial assets before 1 October 2018 under FRS 39 are as follows:

Loans and receivables

Cash and bank deposits

Trade and other receivables

Bank balances and trade and other receivables are initially recognised at fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

- (b) The accounting for financial assets after 1 October 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the measurement category of amortised costs.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

- (i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

- (ii) At subsequent measurement

Debt instruments of the Company mainly comprise of cash and bank deposits and trade receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

- (b) The accounting for financial assets after 1 October 2018 under FRS 39 are as follows (cont'd):

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

For cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with financial institutions that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in values.

2.8 Financial liabilities

Financial liabilities comprise other payables are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

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

2. Significant accounting policies (Cont'd)

2.9 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-liabilities.

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

2.10 Funds

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

2.11 Operating leases

Payments made under operating leases (net of any incentives received from the lessor) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of financial activities when incurred.

2.12 Employee compensation

Defined contribution plans

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

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3. Critical accounting estimates, assumptions and judgments

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

3.1 Critical accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgments in applying the entity's accounting policies

In the process of applying the company's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

3.2.1 Government grants

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

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

4. Detailed statement of financial activities

	Note	Unrestricted fund	Restricted funds						Total Restricted funds S\$	Total Funds S\$
			General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$		
2019 INCOME										
Income from generating funds										
Donations										
- Tax exempt	5,6	54,183	0	0	0	0	0	0	0	54,183
- Non-tax exempt	5	8,477	0	0	0	0	0	0	0	8,477
Fundraising										
- Clarity Christmas Ballet 2018 - tax exempt	5,6	73,303	0	0	0	0	0	0	0	73,303
Grants										
- Grant from Caritas		250,000	0	0	0	0	0	0	0	250,000
- Grant from MOH		0	0	633,922	0	0	0	0	0	633,922
- Grant from AIC - CCTG		4,806	0	0	0	0	0	0	0	4,806
- Grant from CFS		0	0	0	0	20,000	0	0	0	20,000
		390,769	0	633,922	0	20,000	0	0	0	1,044,691
Income from charitable activities										
Counselling fees		5,180	0	32,420	0	0	0	0	0	37,600
Post Traumatic Stress Disorder Training Workshop		34,900	0	0	0	0	0	0	0	34,900
Placement admin fee revenue		600	0	0	0	0	0	0	0	600
Psycho-education sessions		6,315	0	0	0	0	0	0	0	6,315
		46,995	0	32,420	0	0	0	0	0	79,415
Other income										
Government-paid childcare leave		2,316	0	0	0	0	0	0	0	2,316
Interest income		8,958	0	0	0	0	0	0	0	8,958
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	0	540
Special Employment Credit (MOM)		1,395	0	0	0	0	0	0	0	1,395
Wage Credit Scheme (IRAS)		12,083	0	0	0	0	0	0	0	12,083
		25,292	0	0	0	0	0	0	0	25,292
TOTAL INCOME	5	463,056	0	666,342	0	20,000	0	0	0	1,149,398

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

	Unrestricted fund	Restricted funds							Total Funds S\$
		General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$	
2019 (Cont'd)									
EXPENDITURE									
Cost of charitable activities									
- C&S - Fridays with Clarity	0	2,160	0	0	0	0	0	0	2,160
- C&S - Psychoeducation	4,180	4,370	0	0	0	0	0	0	8,550
Caritas/NCSS membership fees	125	0	0	0	0	0	0	0	125
CFS YES!	0	0	0	0	5,989	0	0	0	5,989
Contractor fees	0	0	7,224	0	0	0	0	0	7,224
Facilities cost	0	9,492	0	0	0	0	0	0	9,492
Financial and transport assistance	0	0	0	435	0	0	0	0	435
HPB - Maternal Mental Health	9,236	0	0	0	0	0	0	0	9,236
OCD Networking	0	0	0	920	0	0	0	0	920
Provision for unutilised leave	(5,379)	0	0	0	0	0	0	0	(5,379)
Psycho-education session expenses	1,914	201	0	120	0	0	0	0	2,235
PTSD expenses	18,487	0	0	0	0	0	0	0	18,487
Staff costs									
- Salaries	21,330	78,840	351,719	0	0	0	0	0	451,889
- AWS/Bonus	7,500	13,140	37,650	0	0	0	0	0	58,290
- Employer CPF	5,648	15,638	63,498	0	0	0	0	0	84,784
- SDF	273	0	842	0	0	0	0	0	1,115
- Recruitment expense	324	0	0	0	0	0	0	0	324
- Medical	2,197	0	1,199	0	0	0	0	0	3,396
- Dental	269	0	298	0	0	0	0	0	567
- Staff insurance	1,181	0	3,070	0	0	0	0	0	4,251
- Staff welfare	616	0	2,176	0	0	0	0	0	2,792
- Training and development	7,168	0	883	0	0	0	0	0	8,051
	75,069	123,841	468,559	1,475	5,989	0	0	599,864	674,933

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

	Note	Unrestricted fund	Restricted funds							Total Funds S\$	
			General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$		
2019 (Cont'd)											
EXPENDITURE (Cont'd)											
Governance and other administrative cost											
Accounting/Payroll System Subscription		1,004	0	1,990	0	0	0	0	0	0	1,990
Advertising and promotion		698	0	0	800	0	0	0	0	0	800
Audit fee		4,173	0	0	0	0	0	0	0	0	4,173
Bank charge		383	0	0	0	0	0	0	0	0	383
Copier lease rental		0	0	1,633	0	0	0	0	0	0	1,633
Computer supplies		0	0	546	0	0	0	0	0	0	546
Depreciation of property, plant and equipment	10	23,312	0	1,185	0	0	0	0	0	0	23,312
Internet		0	0	0	0	0	0	0	0	0	1,185
Local transport		2,470	0	0	0	0	0	0	0	0	2,470
Office supplies		951	0	1,193	0	0	0	0	0	0	1,193
Pantry supplies/refreshments		283	0	0	0	0	0	0	0	0	283
Periodicals and subscriptions		564	0	0	0	0	0	0	0	0	564
Postage and courier		90	0	0	0	0	0	0	0	0	90
Printing		1,643	0	1,518	0	0	0	0	0	0	1,518
Property Insurance		1,635	0	0	0	0	0	0	0	0	1,635
Rental of premises		6,850	0	12,968	0	0	0	0	0	0	12,968
Mt Alvernia Rental - HPB		642	0	2,084	0	0	0	0	0	0	2,084
Repairs and maintenance		1,200	0	0	0	0	0	0	0	0	1,200
Secretarial fee		0	0	180	0	0	0	0	0	0	180
Service & conservancy charges		1,599	0	0	0	0	0	0	0	0	1,599
SGGives transaction fee		0	0	0	0	0	0	0	0	0	0
Staff costs											
- Salaries		121,189	33,235	88,230	0	0	0	0	0	0	121,465
- AWS/Bonus		7,500	19,240	8,286	0	0	0	0	0	0	27,526
- Employer CPF		23,074	8,177	11,702	0	0	0	0	0	0	19,879
- SDF		375	0	186	0	0	0	0	0	0	186
- Medical		1,873	0	619	0	0	0	0	0	0	619
- Staff insurance		2,125	0	236	0	0	0	0	0	0	236
- Staff welfare		0	0	655	0	0	0	0	0	0	655
- Training and development		768	0	0	0	0	0	0	0	0	768

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

	Unrestricted fund General fund S\$	Restricted funds						Total Restricted funds S\$	Total Funds S\$
		Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$		
2019 (Cont'd)									
EXPENDITURE (Cont'd)									
Governance and other administrative cost (Cont'd)									
Staff Supervision fee	2,360	0	11,040	0	0	0	0	11,040	13,400
Telephone	3,803	0	2,733	0	0	0	0	2,733	6,536
Utilities	333	0	6,053	0	0	0	0	6,053	6,386
Website/IT fee	450	0	1,305	0	0	0	0	1,305	1,755
	211,347	60,652	154,342	800	0	0	0	215,794	427,141
TOTAL EXPENDITURE	286,416	184,493	622,901	2,275	5,989	0	0	815,658	1,102,074
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR	176,640	(184,493)	43,441	(2,275)	14,011	0	0	(129,316)	47,324

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

	Note	Unrestricted fund S\$	Restricted funds						Total Funds S\$
			Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$	
2018									
INCOME									
Income from generating funds									
Donations									
- Tax exempt	5,6	70,045	0	0	0	0	0	0	70,045
- Non-tax exempt		34,981	0	0	0	0	0	0	34,981
Fundraising									
- Clarity Christmas Ballet 2018 - tax exempt	5,6	110,500	0	0	0	0	0	0	110,500
Grants									
- Grant from Caritas		365,000	0	0	0	0	0	0	365,000
- Grant from MOH		0	0	481,703	0	0	0	0	481,703
- Care & share matching grant		0	400,773	0	0	0	0	0	400,773
- Grant from AIC - CCTG		9,200	0	0	0	0	0	0	9,200
- Grant from CFS		0	0	0	25,000	0	0	0	25,000
- Grant from HPB - MMH		0	0	0	0	13,596	0	0	13,596
- Grant from NCSS - Pledge It Forward Campaign		0	0	4,714	0	0	0	0	4,714
		589,726	400,773	481,703	4,714	25,000	13,596	925,786	1,515,512
Income from charitable activities									
Counselling fees		11,893	0	20,915	0	0	0	0	32,808
Honorarium for practicum placements		300	0	0	0	0	0	0	300
Placement admin fee revenue		600	0	0	0	0	0	0	600
Psycho-education sessions		7,097	0	0	0	0	0	0	7,097
		19,890	0	20,915	0	0	0	0	40,805
Other income									
Government-paid childcare leave		356	0	0	0	0	0	0	356
Interest income		6,280	0	0	0	0	0	0	6,280
SingTei Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	540
Special Employment Credit (MOM)		272	0	0	0	0	0	0	272
Temporary Employment Credit (MOM)		3,145	0	0	0	0	0	0	3,145
Wage Credit Scheme (IRAS)		23,783	0	0	0	0	0	0	23,783
		34,376	0	0	0	0	0	0	34,376
TOTAL INCOME	5	643,992	400,773	502,618	4,714	25,000	13,596	946,701	1,590,693

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

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

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

	Unrestricted fund	Restricted funds							Total Funds S\$
		General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$	
2018 (Cont'd)									
EXPENDITURE (Cont'd)									
<u>Governance and other administrative cost</u>									
2C2P Admin Charges	219	0	0	0	0	0	0	0	219
Accounting/Payroll System Subscription	563	0	1,300	0	0	0	0	1,300	1,863
Advertising and promotion	1,077	0	1,319	0	0	0	0	1,319	2,396
Anniversary event	474	0	0	0	0	0	0	0	474
Audit fee	4,173	0	0	0	0	0	0	0	4,173
Bank charge	199	0	0	0	0	0	0	0	199
Copier lease rental	401	0	1,204	0	0	0	0	1,204	1,605
Computer supplies	710	0	460	0	0	0	0	460	1,170
Depreciation of property, plant and equipment	12,194	0	10,217	0	0	0	0	10,217	22,411
Internet	537	0	891	0	0	0	0	891	1,428
Legal/Stamp fee	793	0	0	0	0	0	0	0	793
Local transport	3,089	0	319	0	0	0	32	351	3,440
Office supplies	3,791	0	1,427	0	0	0	0	1,427	5,218
Pantry supplies/refreshments	276	0	0	0	0	0	0	0	276
Periodicals and subscriptions	744	0	0	0	0	0	0	0	744
Postage and courier	103	0	0	0	0	0	0	0	103
Printing	1,357	0	838	0	0	0	0	838	2,195
Property Insurance	1,379	0	0	0	0	0	0	0	1,379
Rental of premises	0	3,242	9,726	0	0	0	0	12,968	12,968
Mt Alvernia Rental - HPB	342	0	0	0	0	0	1,370	1,370	1,712
Repairs and maintenance	190	792	1,652	0	0	0	0	2,444	2,634
Secretarial fee	1,500	0	0	0	0	0	0	0	1,500
Service & consancy charges	0	45	135	0	0	0	0	180	180
SGGives transaction fee	211	0	0	0	0	0	0	0	211
Staff costs									
- Salaries	1,898	146,955	49,327	0	0	0	0	196,282	198,180
- AWS/Bonus	3,150	21,450	6,200	0	0	0	0	27,650	30,800
- Employer CPF	87	28,187	9,442	0	0	0	0	37,629	37,716
- SDF	312	42	100	0	0	0	0	142	454

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

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

5. Revenue from contracts with customers

Disaggregation of revenue from contracts with customer:

	Note	2019 S\$	2018 S\$
<u>Revenue from</u>			
Donations		62,660	105,026
Fundraising		73,303	110,500
Counselling fees		37,600	32,808
Post Traumatic Stress Disorder Training Workshop		34,900	0
Honorarium For Practicum Placements		0	300
Placement admin fee revenue		600	600
Psycho-education sessions		6,315	7,097
Other incoming resources		<u>25,292</u>	<u>34,376</u>
		<u>240,670</u>	<u>290,707</u>
 Grants		 <u>908,728</u>	 <u>1,299,985</u>
	4	<u>1,149,398</u>	<u>1,590,693</u>
 <u>Timing of transfer of services :</u>			
At a point in time		<u>240,670</u>	<u>290,707</u>

6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$127,486 (2018: S\$180,545) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	2019 S\$	2018 S\$
Statement of financial activities		
General fund:		
Donations - tax exempt	54,183	70,045
Clarity Christmas Ballet 2018 - tax exempt	<u>73,303</u>	<u>110,500</u>
	<u>127,486</u>	<u>180,545</u>

7. Income tax

The Society is registered as a charity under the Charities Act since 3 December 2010. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

8. Cash and bank balances

	2019 S\$	2018 S\$
Cash on hand	650	650
Cash at bank	361,809	150,046
Fixed deposit	1,550,000	1,550,000
	1,912,459	1,700,696

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

	2019 S\$	2018 S\$
Cash on hand	650	650
Cash at bank	361,809	150,046
Fixed deposit	1,550,000	1,550,000
	1,912,459	1,700,696
Less: fixed deposits with maturity over 3 months	(550,000)	(550,000)
	1,362,459	1,150,696

Fixed deposits at the reporting date had maturity dates ranging from 1 month to 9 month as at 30 September 2019 (2018: 1 to 9 month) and had a weighted average effective interest rate of 0.58% (2018: 0.41%) per annum.

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

9. Trade and other receivables

	2019 S\$	2018 S\$
Trade receivables	2,140	750
Other receivables		
- Deposits	6,214	11,114
- Interest receivable	3,295	3,161
- Prepayment	763	9,214
- Grant receivable	164,534	307,112
- Other debtors	450	240
	177,396	331,591

At the reporting date, the carrying amounts of trade and other receivables approximate their fair values.

10. Property, plant and equipment

	Computers S\$	Furniture S\$	Fixtures and Fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2019						
Cost						
Beginning of financial year	51,464	9,234	0	7,531	221,249	289,478
Additions	10,045	2,447	700	1,787	1,028	16,007
End of financial year	61,509	11,681	700	9,318	222,277	305,485
Accumulated depreciation						
Beginning of financial year	51,436	6,589	0	5,692	202,499	266,216
Depreciation	10,041	1,521	233	1,799	9,718	23,312
End of financial year	61,477	8,110	233	7,491	212,217	289,528
Net carrying amount	32	3,571	467	1,827	10,060	15,957
2018						
Cost						
Beginning of financial year	52,387	7,055		5,622	193,124	258,188
Additions	10,488	2,179		1,909	28,125	42,701
Write off	(11,411)	0		0	0	(11,411)
End of financial year	51,464	9,234		7,531	221,249	289,478
Accumulated depreciation						
Beginning of financial year	52,356	5,522		4,205	193,124	255,207
Depreciation	10,482	1,067		1,487	9,375	22,411
Write off	(11,402)	0		0	0	(11,402)
End of financial year	51,436	6,589		5,692	202,499	266,216
Net carrying amount	28	2,645		1,839	18,750	23,262

11. Other payables

	2019 S\$	2018 S\$
Other payables		
- Outside parties	10,288	179
- Accruals	3,672	7,440
- Accrual salaries and CPF contributions	21,381	19,403
- Provision for unutilised leave	24,509	29,889
	<u>59,850</u>	<u>56,911</u>

At the reporting date, the carrying amounts of other payables approximate their fair values.

12. Unrestricted general fund

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

13. Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its company purposes.

Restricted funds comprise:

Care and Share Matching Grant

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The amount of 134,437 is expected to be funded by Care and Share of which 10% is withheld awaiting for full utilisation of the grant.

Movement of this fund is as follows:

	2019 S\$	2018 S\$
Balance at beginning of financial year	50,056	55,800
Add: Grants received	0	400,773
Less: Utilisation	<u>(184,493)</u>	<u>(406,517)</u>
Balance at end of financial year	<u>(134,437)</u>	<u>50,056</u>

Comit@North

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

Movement of this fund is as follows:

	2019 S\$	2018 S\$
Balance at beginning of financial year	49,559	0
Add: Grants received	666,342	502,618
Less: Utilisation	<u>(622,901)</u>	<u>(453,059)</u>
Balance at end of financial year	<u>93,000</u>	<u>49,559</u>

13. Restricted funds (Cont'd)

Pledge It Forward Campaign

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

Movement of this fund is as follows:

	2019 S\$	2018 S\$
Balance at beginning of financial year	4,448	0
Add: Grants received	0	4,714
Less: Utilisation	<u>(2,275)</u>	<u>(266)</u>
Balance at end of financial year	<u>2,173</u>	<u>4,448</u>

Better and Happier Youth

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

Movement of this fund is as follows:

	2019 S\$	2018 S\$
Balance at beginning of financial year	19,105	0
Add: Grants received	20,000	25,000
Less: Utilisation	<u>(5,989)</u>	<u>(5,895)</u>
Balance at end of financial year	<u>33,116</u>	<u>19,105</u>

Maternal Mental Health Initiative

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

Movement of this fund is as follows:

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

13. Restricted funds (Cont'd)

Net assets of the restricted funds

	Care and Share S\$	Comit@ North S\$	Pledge It Forward S\$	Better and Happier Youth S\$	Total S\$
Total restricted funds as at 30 September 2019	(134,437)	93,000	2,173	33,116	(6,148)
Represented by:					
Cash and bank balances	(134,444)	(71,757)	2,173	33,116	(99,155)
Grant receivable	0	164,534	0	0	92,777
Property, plant and equipment	7	223	0	0	230
	(134,437)	93,000	2,173	33,116	(6,148)
Total restricted funds as at 30 September 2018	50,056	49,559	4,448	19,105	123,168
Represented by:					
Cash and bank balances	50,049	0	4,448	19,105	73,602
Grant receivable	0	49,123	0	0	49,123
Property, plant and equipment	7	436	0	0	443
	50,056	49,559	4,448	19,105	123,168

14. Related party transactions

There were no related party transactions during the financial year 2019 and 2018.

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

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

	2019 S\$	2018 S\$
Salaries and other short-term benefits	101,510	98,500
Post employment benefits – contribution to CPF	14,707	15,453
	116,217	113,953
	2019 No. of key management personnel	2018 No. of key management personnel
Remuneration band (S\$)		
Between S\$100,001 to S\$150,000	1	1

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

15. Management of conflict of interest

There is no paid staff on the Company's Board of directors.

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

16. Operating lease agreement

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

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

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

	2019 S\$	2018 S\$
Not later than one year	16,888	17,947
Between one and five years	4,566	21,455

17. Financial instrument

The aggregate carrying amounts of loans and receivables, financial asset and financial liabilities at amortised cost are as follows:

	2019 S\$	2018 S\$
Financial assets, at amortised cost / Loans and receivable		
Cash and bank balances	1,912,459	1,700,696
Trade and other receivables (excluding prepayment)	176,633	322,377
	2,089,092	2,023,073
Financial liabilities, at amortised cost		
Other payables	59,850	56,911

18. Financial risk management

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

18.1 Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligation, resulting in deficits in funds.

The Company has adopted the following policy to mitigate the credit risk.

For banks and financial institutions, the Fund mitigates its credit risks by transacting only with counterparties who are rated "A" and above Independent rating agencies.

For trade and other receivables, the Company manages its credit risks by ensuring that the counterparty has sufficient financial assets and other committed credit lines to settle its financial and contractual obligations to the Company, as and when they fall due.

18.2 Liquidity and cash flow risks

Liquidity risk refers to the risk that the Company will have insufficient resources to meet its financial liabilities as and when they fall due.

The Board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The table below summarises the profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted payments.

	2019 S\$	2018 S\$
<u>Payable within one year</u>		
<u>Financial assets</u>		
Cash and bank balances	1,912,459	1,700,696
Trade and other receivables (excluding prepayment)	176,633	322,377
	2,089,092	2,023,073
<u>Financial liabilities</u>		
Other payables	(59,850)	(56,911)
	2,029,242	1,966,162
Net financial assets		

19. Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

20. Conflict of interest policy

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

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

21. Reserve policy and position

The Company's reserve position for financial year ended 30 September 2019 is as follows:

		2019	2018	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	2,052	1,876	9%
B	Restricted or Designated funds			
	Designated funds	0	0	0%
	Restricted funds	(6)	123	(105%)
C	Endowment funds	0	0	0%
D	Total funds	2,046	1,999	2%
E	Total annual operating expenditure	1,102	966	14%
F	Ratio of funds to annual operating expenditure (A/E)	1.86	1.94	-4%

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other operating and administration expenditure.

The Company's Reserve Policy is as follows:

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to establish our reserves at a level equivalent to 3 years of operating expenditure through increasing awareness of our activities, seeking more donors both private and corporate and fund raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

22. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of directors of the Company on **18 FEB 2020**