

SILVER RIBBON (SINGAPORE)

[Unique Entity No. T05SS0315B]

[IPC No. IPC000723]

[Registered under the Societies Act (Chapter 311)
in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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Fiducia LLP

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Public Accountants and
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STATEMENT BY THE BOARD MEMBERS


In the opinion of the Board Members, the accompanying financial statements set out on pages 5 to 21 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 July 2015 and of its financial performance, the changes in funds and cash flows of the Society for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

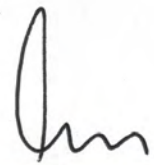
The Board Members, comprising the following, authorised the issue of these financial statements on
05 OCT 2015

| | |
|--------------------|-----------------------------------|
| President | Lee Cheng |
| Vice President | Thirumalai Chandran @ T. Chandroo |
| Honorary Treasurer | Leon Luai Hong Kheng |
| Honorary Secretary | Teh Ee-Von |
| Member | Lim Cheng Hwa |
| Member | Alvin Tan Cheong Kheng |
| Member | Chong Siow Ann |

For and on behalf of the Board Members,



Lee Cheng
President



Leon Luai Hong Kheng
Honorary Treasurer

Singapore, 05 OCT 2015

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Independent Auditor's report to the members of:

SILVER RIBBON (SINGAPORE)

[Unique Entity No. T05SS0315B]
[IPC No. IPC000723]
[Registered under the Societies Act (Chapter 311)
in the Republic of Singapore]

Report on the Financial Statements

We have audited the accompanying financial statements of Silver Ribbon (Singapore) (the "Society") as set out on pages 5 to 21, which comprise the statement of financial position as at 31 July 2015, the statement of financial activities, the statement of changes in funds and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statement and to maintain accountability of assets.

Auditors' Responsibility

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

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

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

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Chartered Accountants of Singapore

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Singapore 408571
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(CONT'D)

Independent Auditor's report to the members of:

SILVER RIBBON (SINGAPORE)

[Unique Entity No. T05SS0315B]
[IPC No. IPC000723]
[Registered under the Societies Act (Chapter 311)
in the Republic of Singapore]

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard so as to give a true and fair view of the financial position of the Society as at 31 July 2015, and the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

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

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



Fiducia LLP

Public Accountants and
Chartered Accountants
Singapore, 05 OCT 2015

Partner-in-charge: Ong Lien Wan
PAB No.: 01360

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015

| | | 2015 | | | | | | |
|---------------------------------------|------------------------------------|------------------------|-----------------|-----------------------------|-----------------------------|-----------|----------------|--|
| | | General funds | | | Designated fund | | | |
| Note | Accumulated fund S\$ | Raintree Sanctuary S\$ | The Linkage S\$ | Care and Share Movement S\$ | Tze Hng Wellness Studio S\$ | Total S\$ | 2014 Total S\$ | |
| INCOME | | | | | | | | |
| Voluntary income | | | | | | | | |
| | AIC reimbursement for TL | 0 | 0 | 81,756 | 0 | 0 | 97,824 | |
| | Care & Share Fund | 0 | 0 | 0 | 76,523 | 0 | 0 | |
| 5 | Donations (Non Deductible) | 150,400 | 0 | 0 | 0 | 150,400 | 1,070 | |
| 5 | Donations (Deductible) | 19,383 | 202,603 | 0 | 0 | 221,986 | 199,795 | |
| | Event reimbursement | 0 | 0 | 0 | 0 | 0 | 28,651 | |
| | NCSS Tote Board funding | 0 | 0 | 0 | 0 | 125,892 | 112,828 | |
| | Overseas travel reimbursement | 0 | 0 | 0 | 0 | 0 | 2,747 | |
| | Training income | 14,805 | 0 | 0 | 0 | 14,805 | 21,803 | |
| | Wage credit scheme | 0 | 13,507 | 5,145 | 0 | 20,155 | 3,584 | |
| | Miscellaneous income | 0 | 0 | 0 | 0 | 0 | 20 | |
| | | 184,588 | 216,110 | 86,901 | 76,523 | 691,517 | 468,322 | |
| Investment income | | | | | | | | |
| | Bank interest | 0 | 0 | 0 | 0 | 124 | 124 | |
| | Total income | 184,588 | 216,110 | 86,901 | 76,523 | 691,641 | 468,446 | |
| EXPENDITURE | | | | | | | | |
| Costs of charitable activities | | | | | | | | |
| | Advertising and promotion expenses | 0 | 0 | 0 | 0 | 0 | 13,000 | |
| | CPF and SDL contributions | 0 | 34,637 | 22,157 | 0 | 36,431 | 34,788 | |
| | Event expenses | 0 | 425 | 2,190 | 0 | 26,690 | 42,877 | |

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015 (CONT'D)

| | | 2015 | | | | | | |
|--|----------------------|------------------------|-----------------|-----------------------------|-----------------------------|-----------|----------------|--|
| | | General funds | | | Designated fund | | | |
| Note | Accumulated fund S\$ | Raintree Sanctuary S\$ | The Linkage S\$ | Care and Share Movement S\$ | Tze Hng Wellness Studio S\$ | Total S\$ | 2014 Total S\$ | |
| EXPENDITURE (CONT'D) | | | | | | | | |
| Costs of charitable activities (Cont'd) | | | | | | | | |
| | 0 | 0 | 0 | 0 | 2,061 | 2,061 | 2,077 | |
| IT/ web expenses | 0 | 0 | 130 | 0 | 526 | 656 | 356 | |
| Medical fee | 0 | 454 | 445 | 0 | 344 | 1,243 | 92 | |
| Recruitment expenses | 0 | 0 | 0 | 0 | 0 | 0 | 920 | |
| Salaries, allowance and bonuses | 0 | 75,107 | 48,002 | 0 | 98,455 | 221,564 | 223,335 | |
| Staff training | 0 | 1,096 | 1,396 | 1,082 | (995) | 2,579 | 645 | |
| Subscription fees | 0 | 0 | 0 | 0 | 0 | 0 | 104 | |
| Trainers' and speakers' fees | 0 | 30 | 0 | 0 | 4,240 | 4,270 | 7,432 | |
| Training materials | 0 | 0 | 0 | 0 | 1,648 | 1,648 | 1,284 | |
| | 0 | 111,749 | 74,320 | 1,082 | 169,400 | 356,551 | 326,910 | |
| Governance and other administrative costs | | | | | | | | |
| Accounting fee | | | | | | | | |
| - Current year | 0 | 600 | 600 | 0 | 1,500 | 2,700 | 0 | |
| - Prior year | 0 | 0 | 0 | 0 | 0 | 0 | 2,700 | |
| Audit fee | 0 | 2,194 | 1,945 | 0 | 2,494 | 6,633 | 6,100 | |
| Bank charges | 0 | 0 | 0 | 0 | 184 | 184 | 164 | |
| Collaterals Printing | 0 | 2,757 | 5,034 | 0 | 4,023 | 11,814 | 0 | |
| Depreciation of property, plant and equipment | 8 | 8,832 | 1,669 | 0 | 2,174 | 12,675 | 10,893 | |
| General expenses | 0 | 32 | 0 | 0 | 616 | 648 | 518 | |
| Insurance | 0 | 793 | 227 | 0 | 603 | 1,623 | 2,175 | |
| Loss on Disposal | 0 | 0 | 96 | 0 | 332 | 428 | 0 | |
| Postage and courier | 0 | 0 | 0 | 0 | 39 | 39 | 41 | |

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2015 (CONT'D)

| Note | 2015 | | | | | | 2014 Total S\$ |
|---|----------------------------|---------------------------|--------------------|-----------------------------------|-----------------------------------|--------------|----------------------|
| | General funds | | | Designated fund | | Total S\$ | |
| | Accumulated fund S\$ | Raintree Sanctuary S\$ | The Linkage S\$ | Care and Share Movement S\$ | Tze Hng Wellness Studio S\$ | | |
| EXPENDITURE (CONT'D) | | | | | | | |
| Governance and other administrative costs (Cont'd) | | | | | | | |
| Printing and stationery | 0 | 1,396 | 1,484 | 0 | 975 | 3,855 | 11,950 |
| Refreshments | 0 | 183 | 28 | 0 | 342 | 553 | 380 |
| Rental of premises | 0 | 1,800 | 3,000 | 0 | 0 | 4,800 | 4,050 |
| Telecommunications | 0 | 189 | 0 | 0 | 1,295 | 1,484 | 2,063 |
| Transportation | 0 | 1,265 | 882 | 0 | 937 | 3,084 | 2,034 |
| Travelling expenses | 0 | 0 | 0 | 0 | 1,533 | 1,533 | |
| Utility | 0 | 0 | 0 | 0 | 974 | 974 | 1,248 |
| | 0 | 20,041 | 14,965 | 0 | 18,021 | 53,027 | 44,316 |
| Total expenditure | 0 | 131,790 | 89,285 | 1,082 | 187,421 | 409,578 | 371,226 |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | 184,588 | 84,320 | (2,384) | 75,441 | (59,902) | 282,063 | 97,220 |
| TOTAL FUND BROUGHT FORWARD | 400,517 | 314,222 | 23,236 | 0 | (89,234) | 648,741 | 551,521 |
| TOTAL FUND CARRIED FORWARD | 585,105 | 398,542 | 20,852 | 75,441 | (149,136) | 930,804 | 648,741 |

* Raintree Sanctuary fund is formerly known as Punggol South.

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

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2015

| | Note | 2015 S\$ | 2014 S\$ |
|-------------------------------|------|-----------------|-----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 883,199 | 585,809 |
| Other receivables | 7 | 18,955 | 26,390 |
| | | <u>902,154</u> | <u>612,199</u> |
| Non-current assets | | | |
| Property, plant and equipment | 8 | <u>37,877</u> | <u>45,342</u> |
| Total assets | | <u>940,031</u> | <u>657,541</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other payables | 9 | 9,227 | 8,800 |
| NET ASSETS | | <u>930,804</u> | <u>648,741</u> |
| FUNDS | | | |
| Unrestricted funds | | | |
| General funds | 10 | 1,004,499 | 737,975 |
| Restricted funds | | | |
| Designated fund | 11 | <u>(73,695)</u> | <u>(89,234)</u> |
| | | <u>930,804</u> | <u>648,741</u> |

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

| | Note | Balance at beginning of year S\$ | Net income/ (expenditure) for the year S\$ | Balance at end of year S\$ |
|---------------------------|------|-------------------------------------|---|-------------------------------|
| 2015 | | | | |
| Unrestricted funds | | | | |
| General funds | 10 | 737,975 | 266,524 | 1,004,499 |
| Restricted funds | | | | |
| Designated fund | 11 | <u>(89,234)</u> | <u>15,539</u> | <u>(73,695)</u> |
| | | <u>648,741</u> | <u>282,063</u> | <u>930,804</u> |
| | | | | |
| | | Balance at beginning of year S\$ | Net income/ (expenditure) for the year S\$ | Balance at end of year S\$ |
| 2014 | | | | |
| Unrestricted funds | | | | |
| General funds | 10 | 575,660 | 162,315 | 737,975 |
| Restricted funds | | | | |
| Designated fund | 11 | <u>(24,139)</u> | <u>(65,095)</u> | <u>(89,234)</u> |
| | | <u>551,521</u> | <u>97,220</u> | <u>648,741</u> |

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

| | Note | 2015 S\$ | 2014 S\$ |
|---|------|----------------|-----------------|
| Cash flows from operating activities | | | |
| Net income for the year | | 282,063 | 97,220 |
| Adjustments for: | | | |
| - Depreciation of property, plant and equipment | 8 | 12,675 | 10,893 |
| - Interest income | | (124) | (124) |
| - Loss on disposal of property, plant and equipment | | 429 | 0 |
| - Refund of renovation fee | | 0 | 910 |
| Operating cash flow before working capital changes | | <u>295,043</u> | <u>108,899</u> |
| Changes in working capital | | | |
| - Other receivables | | 7,435 | (14,934) |
| - Other payables | | 427 | 2,150 |
| Net cash provided by operating activities | | <u>7,862</u> | <u>96,115</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 8 | (5,639) | (13,092) |
| Interest received | | 124 | 124 |
| Net cash used in investing activities | | <u>(5,515)</u> | <u>(12,968)</u> |
| Net increase in cash and cash equivalents | | 297,390 | 83,147 |
| Cash and cash equivalents at beginning of financial year | | 585,809 | 502,662 |
| Cash and cash equivalents at end of financial year | 6 | <u>883,199</u> | <u>585,809</u> |
| Cash and cash equivalents comprise: | | | |
| Cash in bank | 6 | <u>883,199</u> | <u>585,809</u> |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2015

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

1. General information

Silver Ribbon (Singapore) ("the Society") was registered under the Societies Act (Chapter 311) on 21 December 2005. The Society became a registered charity under the Charities Act (Chapter 37) on 14 June 2006.

The address of its registered office and principal place of business are located at 616 Hougang Avenue 8, #01-386, Singapore 530616.

The principal activities of the Society are those of combat mental health stigma, encourage early treatment and facilitate integration of people with mental illness within the Society through innovative means of promoting mental health literacy.

The Society has renewed its Institution of Public Character ("IPC") status for the period from 12 May 2014 to 11 May 2016.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard (CAS). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Society's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year. Although these estimates are based on Board Members' best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Society's activities. Revenue is recognised as follows:

2.2.1 Donations

Donations are recognised and accrued as and when they are committed. Uncommitted donations, income from charity events are recognised on receipt basis.

2.2.2 Fund raising income

Fund raising income is recognised in the period in which the event takes place.

2. Significant accounting policies (Cont'd)

2.2 Revenue recognition (Cont'd)

2.2.3 Grants

Grants from the Government or non-profit organisations are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Society will comply with all attached conditions.

2.2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3 Expenditure recognition

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

2.4 Property, plant and equipment

2.4.1 Measurement

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

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

2.4.2 Depreciation

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

| | Useful life |
|--------------------------------|-------------|
| Air-condition | 5 years |
| Computers and office equipment | 5 years |
| Renovation | 5 years |
| Website design | 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 the statement of financial activities in the financial year in which the changes arise.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society 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. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.4 Disposal

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

2.5 Impairment of non-financial assets

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

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

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

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

2.6 Financial assets

2.6.1 Classification

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

Loan and receivables

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset.

Financial assets are derecognised when the right to receive cash flow from the financial assets have expired or have been transferred and the Society has transferred substantially all risk and rewards of ownership.

2.6.3 Measurement

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

2.6.4 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

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

An allowance for impairment of loans and receivables including trade and other receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the Statement of financial activity.

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

2.7 Cash and cash equivalents

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

2. Significant accounting policies (Cont'd)

2.8 Financial liabilities

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

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society 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.

2.10 Employee compensation

2.10.1 Defined contribution plans

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

2.10.2 Employee leave entitlement

Employees' 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 reporting date.

2.11 Related parties

A related party is defined as follows:

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

2.11 Related parties (cont'd)

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

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical judgements in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty 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.

3.1.1 Estimated useful lives of property, plant and equipment

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

3.1.2 Allowance for impairment of receivables

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

4. Income tax

The Society has been registered as a charity under the Charities Act and is exempt from income tax under Section 13(1) of the Income Tax Act. No provision for income tax is required to be made in the financial statements.

5. Donations

| | 2015 S\$ | 2014 S\$ |
|-------------------------|----------------|----------------|
| Tax exempt donation | 221,986 | 199,795 |
| Non-tax exempt donation | 150,400 | 1,070 |
| | <u>372,386</u> | <u>200,865</u> |

6. Cash and cash equivalents

| | 2015 S\$ | 2014 S\$ |
|--------------|----------------|----------------|
| Cash in bank | <u>883,199</u> | <u>585,809</u> |

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

7. Other receivables

| | 2015 S\$ | 2014 S\$ |
|-------------------|---------------|---------------|
| Other receivables | 18,955 | 26,390 |
| Prepayments | 0 | 0 |
| | <u>18,955</u> | <u>26,390</u> |

At the reporting date, the carrying amounts of other receivables approximate their fair value.

8. Property, plant and equipment

| | Balance at beginning of year S\$ | Additions S\$ | Disposals S\$ | Adjustment S\$ | Balance at end of year S\$ |
|-----------------------------------|---|-------------------------------|-----------------------------|-------------------|----------------------------------|
| 2015 | | | | | |
| Cost | | | | | |
| Air-condition | 0 | 3,143 | 0 | 0 | 3,143 |
| Computers and office equipment | 23,997 | 2,496 | (3,016) | 0 | 23,477 |
| Renovation | 55,537 | 0 | 0 | 0 | 55,537 |
| Website design | 3,700 | 0 | 0 | 0 | 3,700 |
| | <u>83,234</u> | <u>5,639</u> | <u>(3,016)</u> | <u>0</u> | <u>85,857</u> |
| | | | | | |
| | Balance at beginning of year S\$ | Depreciation charge S\$ | Written back/ off S\$ | Adjustment S\$ | Balance at end of year S\$ |
| Accumulated depreciation | | | | | |
| Air-condition | 0 | 524 | 0 | 0 | 524 |
| Computers and office equipment | 10,121 | 4,008 | (2,587) | 0 | 11,542 |
| Renovation | 25,529 | 7,643 | 0 | 0 | 33,172 |
| Website design | 2,242 | 500 | 0 | 0 | 2,742 |
| | <u>37,892</u> | <u>12,675</u> | <u>(2,587)</u> | <u>0</u> | <u>47,980</u> |
| | | | | | |
| | Balance at beginning of year S\$ | | | | Balance at end of year S\$ |
| Net book value | | | | | |
| Air- condition | 0 | | | | 2,619 |
| Computers and office equipment | 13,876 | | | | 11,935 |
| Renovation | 30,008 | | | | 22,365 |
| Website design | 1,458 | | | | 958 |
| | <u>45,342</u> | | | | <u>37,877</u> |

8. Property, plant and equipment (Cont'd)

| | Balance at beginning of year S\$ | Additions S\$ | Disposal S\$ | Adjustment S\$ | Balance at end of year S\$ |
|--------------------------------|-------------------------------------|------------------|-----------------|-------------------|-------------------------------|
| 2014 | | | | | |
| Cost | | | | | |
| Computers and office equipment | 12,919 | 11,078 | 0 | 0 | 23,997 |
| Renovation | 55,933 | 514 | 0 | (910) | 55,537 |
| Website design | 2,200 | 1,500 | 0 | 0 | 3,700 |
| | <u>71,052</u> | <u>13,092</u> | <u>0</u> | <u>0</u> | <u>83,234</u> |

| | Balance at beginning of year S\$ | Depreciation charge S\$ | Written back/ off S\$ | Adjustment S\$ | Balance at end of year S\$ |
|---------------------------------|-------------------------------------|----------------------------|--------------------------|-------------------|-------------------------------|
| Accumulated depreciation | | | | | |
| Computers and office equipment | 6,737 | 3,384 | 0 | 0 | 10,121 |
| Renovation | 18,062 | 7,467 | 0 | 0 | 25,529 |
| Website design | 2,200 | 42 | 0 | 0 | 2,242 |
| | <u>26,999</u> | <u>10,893</u> | <u>0</u> | <u>0</u> | <u>37,892</u> |

| | Balance at beginning of year S\$ | Balance at end of year S\$ |
|--------------------------------|-------------------------------------|-------------------------------|
| Net book value | | |
| Computers and office equipment | 6,182 | 13,876 |
| Renovation | 37,871 | 30,008 |
| Website design | 0 | 1,458 |
| | <u>44,053</u> | <u>45,342</u> |

9. Other payables

| | 2015 S\$ | 2014 S\$ |
|------------------|--------------|--------------|
| Accrued expenses | <u>9,227</u> | <u>8,800</u> |

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

10. General funds

| | 2015 S\$ | 2014 S\$ |
|------------------------------|------------------|----------------|
| Balance at beginning of year | 737,975 | 575,660 |
| Net income for the year | <u>266,524</u> | <u>162,315</u> |
| Balance at end of year | <u>1,004,499</u> | <u>737,975</u> |

General fund are intended to meet the expenditure in accordance with the objectives of the Society.

11. Designated fund

| | 2015 S\$ | 2014 S\$ |
|---------------------------------------|-----------------|-----------------|
| Balance at beginning of year | (89,234) | (24,139) |
| Net income/(expenditure) for the year | <u>15,539</u> | <u>(65,095)</u> |
| Balance at end of year | <u>(73,695)</u> | <u>(89,234)</u> |

The fund is set up for the expenses incurred on the various designated activities organised by the Society.

12. Remuneration of key management personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The total remuneration received during the financial year is as follows:

| | 2015 S\$ | 2014 S\$ |
|---|----------------|---------------|
| Salaries and other short-term employee benefits | 90,601 | 82,196 |
| Post-employment benefits – contribution to CPF | <u>12,322</u> | <u>11,756</u> |
| | <u>102,923</u> | <u>93,952</u> |

| | 2015 Number of key personnel | 2014 Number of key personnel |
|----------------------------------|---------------------------------------|---------------------------------------|
| Remuneration band | | |
| Between S\$50,001 to S\$100,000 | 0 | 1 |
| Between S\$100,001 to S\$150,000 | <u>1</u> | <u>0</u> |
| | <u>1</u> | <u>1</u> |

None of the Society's 3 highest paid staff received an annual remuneration of S\$100,000 and above during the year (2014: Nil).

13. Reserve position and policy

The Society's reserve position for financial year ended 31 July 2015 is as follows:

| | | 2015 | 2014 | Increase / (Decrease) |
|---|--|---------|---------|--------------------------|
| | | S\$'000 | S\$'000 | % |
| A | Unrestricted Fund | | | |
| | General fund | 1,004 | 738 | 36.04 |
| B | Restricted and Designated Funds | | | |
| | Designated Funds | (74) | (89) | (16.85) |
| C | Endowment Funds | N/A | N/A | N/A |
| D | Total Funds | 930 | 649 | 43.30 |
| E | Total Annual Operating Expenditure | 410 | 371 | 10.51 |
| F | Ratio of Funds to Annual Operating Expenditure (A/E) | 2.45 | 1.99 | 23.12 |

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 Other Operating and Administration expenses.

The Society's reserve policy is as follows:

The Society would hold its reserves up to not more than three years of the amount of the annual operating expenditure.

14. Management of conflict of interest

During the financial year, none of the Board Members received any remuneration from the Society.

Board Members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Board Members 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.

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board Members of the Society on 05 OCT 2015