

**WE CARE COMMUNITY SERVICES
LIMITED**

[UEN. 200506089N]
[IPC No. IPC000022]

[A company limited by guarantee and not
having a share capital]
[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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Fiducia LLP

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

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

The directors present their Statement to the members together with the audited financial statements for the financial year ended 31 December 2015.

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2015, and of 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 in office at the date of this report are as follows:

Dr. Winslow Rasaiah Munidasa
Desmond Lum Siew Khuen
Lim Yun Chin
Cheang Chin Neo Alias Frances Cheang
Chong Kwang Shih
Lee Wee Song
Andrew John Da Roza
Dr. Cheok Cheng Soon Christopher Appointed on 10.06.2015

Arrangements to enable directors to acquire shares and/or debentures

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

Other 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 Auditors

The auditors, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the directors,



Cheang Chin Neo Alias Frances Cheang
Director



Chong Kwang Shih
Director

Singapore, **07 MAR 2016**

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
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T: (65) 6846.8376
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Independent auditors' report to the members of:

WE CARE COMMUNITY SERVICES LIMITED

[UEN. 200506089N]
[IPC No. IPC000022]
[A company limited by guarantee and not having a share capital]

Report on the Financial Statements

We have audited the financial statements of **WE CARE COMMUNITY SERVICES LIMITED** ("the Company") set out on pages 6 to 26, which comprise statement of financial position as at 31 December 2015, statement of financial activities and statement of cash flows for the year then ended, and a summary 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 Singapore Companies Act, Cap. 50 (the "Act"), Singapore Charities Act, Chapter 37 ("the Charities Act") and Charities Accounting Standard, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 control relevant to the entity's preparation and fair presentation of the financial statements 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 control. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

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(CONT'D)

Independent auditors' report to the members of:

WE CARE COMMUNITY SERVICES LIMITED

[UEN. 200506089N]
[IPC No. IPC000022]
[A company limited by guarantee and not having a share capital]

Opinion

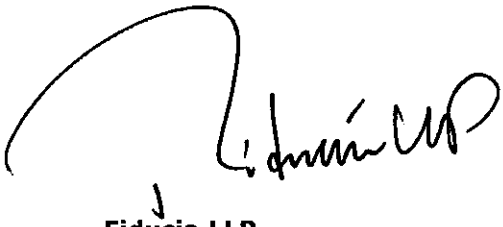
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Charities Accounting Standard so as to give a true and fair view of the financial position of the Company as at 31 December 2015, and the financial performance, changes in funds and cash flows of the Company 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 Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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 Company.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **07 MAR 2016**

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted Fund		Restricted funds				Grand Total S\$
		General Fund S\$	NCSS project SAFE S\$	NCSS project USBA S\$	Care & Share S\$	TBSSF renovation Fund S\$	Total S\$	
2015 INCOME								
Income from generating fund								
Donations	6	200,401	0	0	0	0	0	200,401
- tax deductible		77,722	0	0	0	0	0	77,722
- non tax deductible	4	37,500	0	0	0	0	0	37,500
Corporate Events	5	69,200	0	0	0	0	0	69,200
Charity event		2,400	75,330	15,617	454,749	0	545,696	548,096
Grants		387,223	75,330	15,617	454,749	0	545,696	932,919
		5,571	0	0	0	0	0	5,571
Investment income - Interest								
Income from charitable activities:								
Counselling fees		29,070	0	0	0	0	0	29,070
Facility fee		6,115	0	0	0	0	0	6,115
Recovery groups contributions		0	0	0	0	0	0	0
Sales of books and merchandise		448	0	0	0	0	0	448
Training fees		8,667	0	0	0	0	0	8,667
		44,300	0	0	0	0	0	44,300
Other income		26,069	0	0	0	0	0	26,069
TOTAL INCOME		463,163	75,330	15,617	454,749	0	545,696	1,008,859

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

	Note	Unrestricted Fund		Restricted funds				Grand Total S\$
		General Fund S\$		NCSS Project SAFE S\$	NCSS project USBA S\$	Care & Share S\$	TBSSF renovation Fund S\$	
2015 EXPENDITURES								
Cost of charitable activities								
Associates fees		3,443		832	166	1,109	0	5,550
Charity event		22,968		0	0	0	0	22,968
Communication and publicity		6,963		0	0	0	0	6,963
Corporate event		8,950		0	0	0	0	8,950
Events/activities expenses		752		534	106	2,170	0	3,562
Honorarium		2,253		1,605	321	6,527	0	10,706
Lease of equipment		582		410	82	1,665	0	2,739
Rental of premises		9,851		7,032	1,406	28,596	0	46,885
Sponsorships and donations		10,000		0	0	0	0	10,000
Staff costs	7	23,852		71,212	14,242	280,635	0	389,941
Stall Welfare		201		0	0	4,613	0	4,814
Trainings and seminars		0		0	0	0	0	201
Volunteer expenses		200		0	0	0	0	400
		90,015		81,625	16,323	325,315	0	513,278

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

	Note	Unrestricted Fund		Restricted funds			Grand Total S\$
		General Fund S\$	NCSS project SAFE S\$	NCSS project USBA S\$	Care & Share S\$	TBSSF renovation Fund S\$	
2015 EXPENDITURES (cont'd)							
Governance & other costs							
Audit fee – Current	8	1,925	0	0	0	0	1,925
Bank Charges		1,582	0	0	0	0	1,582
Depreciation	12	0	0	0	33,184	82,594	115,778
General Expenses		145	101	20	408	0	674
Insurance		914	651	130	2,647	0	4,342
IT and website maintenance		970	681	135	2,762	0	4,548
Licence fees		1,066	0	0	0	0	1,066
Library resource		433	0	0	0	0	433
Medical expenses		103	69	13	279	0	464
Office cleaning & maintenance		2,265	1,613	322	6,556	0	10,756
Office furnishings		50	0	0	0	0	50
Office refreshments		787	0	0	0	0	787
Postage and courier		158	0	0	0	0	158
Printing and stationery		880	627	125	2,549	0	4,181
Professional fees		5,000	0	0	0	0	5,000
Repairs and maintenance		552	391	78	1,587	0	2,608
Secretarial fee		321	0	0	0	0	321
Staff costs	7	16,789	0	0	98,960	0	115,749
Telecommunication		302	209	41	846	0	1,398
Transport and travelling		746	529	105	2,150	0	3,530
Utilities		1,992	1,418	283	5,763	0	9,456
		<u>36,980</u>	<u>6,289</u>	<u>1,252</u>	<u>157,691</u>	<u>82,594</u>	<u>284,806</u>
TOTAL EXPENDITURE		126,995	87,914	17,575	483,006	82,594	798,084
Net income / (expenditure)		336,168	(12,584)	(1,958)	(28,257)	(82,594)	210,775
Gross Transfer between funds		(14,542)	12,584	1,958	0	0	0
Net movements of funds		321,626	0	0	(28,257)	(82,594)	210,775
Total funds brought forward		848,341	0	0	107,085	165,158	1,120,584
		<u>1,169,967</u>	<u>0</u>	<u>0</u>	<u>78,828</u>	<u>82,564</u>	<u>1,331,359</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2014	INCOME	Note	Unrestricted Fund		Restricted Fund					Grand Total S\$	
			General Fund S\$	NCSS project SAFE S\$	NCSS project STEPS S\$	NCSS project USBA S\$	SCORE FIRE S\$	Care & Share S\$	TBSSF renovation Fund S\$		Total S\$
	Income from generating fund										
	Donations	6	341,153	0	0	0	0	0	0	0	341,153
	- tax deductible		47,615	0	0	0	0	0	0	0	47,615
	- non tax deductible		0	50,220	32,968	17,211	38,000	173,157	247,752	559,308	559,308
	Grants		80,000	0	0	0	0	0	0	0	80,000
	President Challenge		140	0	0	0	0	0	0	0	140
	VCF local training grant		468,908	50,220	32,968	17,211	38,000	173,157	247,752	559,308	1,028,216
	Investment income - Interest		1,806	0	0	0	0	0	0	0	1,806
	Income from charitable activities:										
	Counselling fees		28,818	0	0	0	0	0	0	0	28,818
	Facility fee		2,730	0	0	0	0	0	0	0	2,730
	Recovery groups contributions		6,170	0	0	0	0	0	0	0	6,170
	Sales of books and merchandise		20	0	0	0	0	0	0	0	20
	Training fees		7,875	0	0	0	0	0	0	0	7,875
			45,613	0	0	0	0	0	0	0	45,613
	Other income		12,254	0	0	0	0	0	0	0	12,254
	TOTAL INCOME		528,581	50,220	32,968	17,211	38,000	173,157	247,752	559,308	1,087,889
	EXPENDITURES										
	Cost of charitable activities										
	Associates fees		1,350	0	0	0	0	0	0	0	1,350
	Events/activities expenses		1,811	805	603	201	603	0	0	0	4,023
	Fund raising costs		5,101	0	0	0	0	0	0	0	5,101
	Honorarium		8,700	0	0	0	0	0	0	0	8,700
	Lease of equipment		476	212	159	53	159	0	0	583	1,059
	Rental of premises		31,895	14,175	10,631	3,544	10,631	0	0	38,981	70,876
	Sponsorships and donations		3,000	0	0	0	0	0	0	0	3,000
	Staff costs	7	37,041	83,630	62,723	20,908	62,723	34,631	0	0	301,656
	Staff welfare		166	0	0	0	0	0	0	0	166
	Training and seminars costs		5,191	0	0	0	0	1,874	0	0	7,065
	Volunteer expenses		250	0	0	0	0	0	0	0	250
			94,981	98,822	74,116	24,706	74,116	36,505	0	0	403,246

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	Unrestricted Fund	Restricted Fund				Grand Total S\$		
		General Fund S\$	NCSS project SAFE S\$	NCSS STEPS S\$	NCSS project USBA S\$	SCORE FIRE S\$		Care & Share S\$	TBSSF renovation Fund S\$
2014 EXPENDITURES (Cont'd)									
Governance & other costs									
Audit fee - current year	8	5,450	0	0	0	0	0	0	5,450
Bank charges		872	0	0	0	0	0	0	872
Depreciation	12	433	0	0	0	0	0	0	433
General expenses		1,816	808	606	202	605	0	29,567	112,594
Insurance		2,256	1,003	752	251	752	0	0	4,038
IT and website maintenance		2,447	1,088	816	272	816	0	0	2,758
Licence fees		565	0	0	0	0	0	0	565
Library resource		823	0	0	0	0	0	0	823
Medical expenses		156	70	53	18	53	0	0	350
Office cleaning & maintenance		3,686	1,639	1,229	410	1,229	0	0	8,193
Office furnishing		3,714	0	0	0	0	0	0	3,714
Office refreshments		271	0	0	0	0	0	0	271
Postage and courier		178	0	0	0	0	0	0	178
Printing and stationery		2,034	904	678	226	678	0	0	4,520
Professional fees		8,121	0	0	0	0	0	0	8,121
Repairs and maintenance		322	143	107	36	107	0	0	715
Staff costs	7	116,496	0	0	0	0	0	0	116,496
Telecommunication		1,057	469	352	117	352	0	0	2,347
Transport and travelling		1,825	811	609	203	609	0	0	4,057
Utilities		4,543	2,020	1,515	505	1,515	0	0	10,098
		157,065	8,955	6,717	2,240	6,717	29,567	82,594	293,855
TOTAL EXPENDITURE		252,046	107,777	80,833	26,946	80,833	66,072	82,594	697,101
Net income/(expenditure)		276,535	(57,557)	(47,865)	(9,735)	(42,833)	107,085	165,158	390,788
Gross transfers between funds		(124,508)	24,075	47,865	9,735	42,833	0	0	0
Net movements of funds		152,027	(33,482)	0	0	0	107,085	165,158	390,788
Total funds brought forward		696,314	33,482	0	0	0	0	0	729,796
		848,341	0	0	0	0	107,085	165,158	1,120,584

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 S\$	2014 S\$
ASSETS			
Current assets			
Cash and bank balances	10	1,264,691	913,465
Grant and other receivables	11	<u>6,312</u>	<u>25,033</u>
		1,271,003	938,498
Non-current assets			
Property, plant and equipment	12	<u>119,395</u>	<u>224,322</u>
Total assets		<u>1,390,398</u>	<u>1,162,820</u>
LIABILITIES			
Current liabilities			
Other payables and accruals	13	<u>59,039</u>	<u>42,236</u>
Total liabilities		<u>59,039</u>	<u>42,236</u>
NET ASSETS		<u>1,331,359</u>	<u>1,120,584</u>
FUNDS			
<u>Unrestricted fund</u>			
General fund		1,169,967	848,341
<u>Restricted funds</u>			
	14	<u>161,392</u>	<u>272,243</u>
		<u>1,331,359</u>	<u>1,120,584</u>

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

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

	Note	2015 S\$	2014 S\$
Cash flows from operating activities			
Net income		210,775	390,788
Adjustments for:			
- Depreciation	12	115,778	112,594
- Interest income		<u>(5,571)</u>	<u>(1,806)</u>
Operating cash flow before working capital changes		320,982	501,576
Changes in working capital			
- Other receivables		18,950	106,543
- Other payables and accruals		<u>16,803</u>	<u>20,288</u>
Net cash provided by operating activities		<u>357,635</u>	<u>628,407</u>
Cash flows from investing activities			
Interest income received		4,442	1,494
Purchases of property, plant and equipment	12	<u>(10,851)</u>	<u>(336,483)</u>
Net cash used in investing activities		<u>(6,409)</u>	<u>(334,989)</u>
Net increase in cash and cash equivalents		351,226	293,418
Cash and cash equivalents at beginning of financial year		913,465	620,047
Cash and cash equivalents at end of financial year		<u>1,264,691</u>	<u>913,465</u>
Cash and cash equivalents comprise:			
Cash on hand and in transit		8,205	25,737
Cash at bank		400,238	486,233
Fixed deposits	10	<u>856,248</u>	<u>401,495</u>
		<u>1,264,691</u>	<u>913,465</u>

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

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

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

1. General information

The Company was incorporated on 05 May 2005. It is a company limited by guarantee whereby each member of the company undertakes to meet the debts and liabilities of the Company, in event of its liquidation, to an amount not exceeding S\$100 per member. As at 31 December 2015, the Company has 8 members (2014: 7 members).

It is a charity registered under the Charities Act (Chapter 37) since 22 June 2005. The Company has been accorded an Institution of a Public Character ('IPC') status for the period from 1 October 2015 to 30 September 2018.

The address of the Company's registered office is at 4 Shenton Way, #17-01 SGX Centre II, Singapore 068807. The principal place of business is at Kembangan-Chai Chee Community Hub, 11 Jalan Ubi, Block 5, #01-41 Singapore 409074.

The principal activities of the Company are:

- To provide advocacy for people in recovery from addictions and mental wellness issues to advocate for services and facilities for self-help programmes for Addictions and Mental Wellness and to support and collaborate with relevant organisations and individuals in such programmes;
- To develop focused and specialised (gap areas) programmes for treatment of those with mental wellness and addictions issues; example, prevention programmes, school based programmes and programmes for families of those affected by addictions;
- To develop world standard addictions and wellness skills training, education courses and conferences, and
- To enhance understanding of addictions and mental wellness issues.

These financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities Accounting Standard ("CAS") issued by the Singapore Accounting Standard Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income is included in the statement of financial activities when the following three factors are met:

- The Company becomes entitled to the income;
- Management is virtually certain that they will receive the income; and
- The monetary value can be measured with sufficient reliability.

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the value of the donations in kind can be estimated with sufficient reliability.

2.2.2 Grants

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Grants with conditions attached are only recognised as income when there is sufficient evidence that the conditions have been met.

2.2.3 Rendering of services

Revenue from services is recognised in the statement of financial activities when the services are performed.

2.2.4 Sales of books and merchandise

Revenue from the sale of books and merchandise is recognized when the Company has delivered the products to the customers; the customer has accepted the products and the collectibility of the related receivables are reasonably assured.

2.2.5 Interest income

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

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

All property, plant and equipment are stated at cost less accumulated depreciation. All items of property, plant and equipment are initially recorded at cost. Fully depreciated assets still in use are retained in the financial statements.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Any trade discounts and rebates are deducted in arriving at purchase price. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of financial activities in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

2.3.2 Depreciation

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

	Useful Life
Computers	3 years
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

2.3.3 Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of financial activities.

2.4 Receivables

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

Subsequent to initial recognition, receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

2. Significant accounting policies (Cont'd)

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits.

2.6 Impairment of financial assets

A financial asset is assessed at the end of the financial year to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individual significant financial assets are tested for impairment on an individual asset basis.

All impairment losses are recognised in the statement of financial activities. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Reversal of impairment losses is recognised in the statement of financial activities.

2.7 Other payables and accruals

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

2.8 Operating leases

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.9 Contingencies

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

2. Significant accounting policies (Cont'd)

2.10 Related parties

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Company if that person:
 - i) Has control or joint control of the Company;
 - ii) Has significant influence over the Company; or
 - iii) Is a governing board member, trustee or member of the key management personnel of the Company or of a parent of the Company.
- b) An entity is related to the Company if any of the following conditions applies:
 - i) The entity and the Company are members of the same group (Which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii) The entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member) and vice versa;
 - iii) The entity and the Company are joint ventures of the same third party;
 - iv) The entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa;
 - v) The entity is controlled or jointly controlled by a person identified in (a); and
 - vi) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).

2.11 Events after the reporting date

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

2.12 Employee compensation

a) 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.

b) 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 statement of financial position date.

2. Significant accounting policies (Cont'd)

2.13 Expenditure

Expenditures are recognised in the statement of financial activities once the goods or services have been delivered or rendered. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided. Expenditures in the statement of financial activities are classified under the costs of generating funds, cost of charitable activities and governance costs.

a) Classification

Cost of generating funds

All cost associated with generating income from all sources other than from undertaking charitable activities are included under cost of generating funds.

Cost of charitable activities

All resources applied in undertaking activities to meet the Company's charitable objectives are classified under cost of charitable activities.

Governance costs

Costs incurred in respect of governance arrangements which relate to the general running of the Company, activities that provide the governance infrastructure, which allows the Company to operate, and to generate the information required for public accountability and costs incurred in relation to strategic planning processes that contribute to future development of the Company are classified under governance costs.

b) Allocation of costs

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, the following apportionment bases are applied:

- Usage
- On time basis.

2.14 Funds

a) General fund

Income and expenditure relating to the main activities of the Company are accounted for through the General Fund in the statement of financial activities.

b) Restricted funds

Income and expenditure relating to funds set up for contributions/grants received and expenditure incurred for specific purpose is accounted for through the restricted funds in the statement of financial activities.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of the General fund.

3. Critical accounting estimates, assumptions and judgments

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.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, 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.

Allowance for impairment of receivables

The Company 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.

Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating 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.

4. Corporate events – donations (SICC Mayday Charity 2015)

	Note	2015 S\$	2014 S\$
Tax exempt donations	6	20,600	0
Non-tax exempt donations		<u>16,900</u>	<u>0</u>
		<u>37,500</u>	<u>0</u>

5. Charity event – donations (Amazing WeCare Race)

	Note	2015 S\$	2014 S\$
Tax exempt donations	6	67,200	0
Donation in-kind		<u>2,000</u>	<u>0</u>
		<u>69,200</u>	<u>0</u>

6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$288,201 (2014: S\$341,153) pursuant to its Institution of a Public Character (“IPC”) status. They are recorded as follows:

	Note	2015 S\$	2014 S\$
Statement of Financial Activities:			
General fund:			
- Donations		200,401	341,153
- Charity event	5	67,200	0
- Corporate events	4	<u>20,600</u>	<u>0</u>
		<u>288,201</u>	<u>341,153</u>

7. Staff costs

Included in the expenses expended are the following staff costs:

	2015 S\$	2014 S\$
CPF and SDF contributions	57,809	43,485
Foreign Worker Levy	0	2,215
Salaries and bonus	<u>447,881</u>	<u>372,452</u>
	<u>505,690</u>	<u>418,152</u>

The staff costs were allocated as follows:

- Costs of charitable activities
- Governance and other costs

	2015 S\$	2014 S\$
	389,941	301,656
	<u>115,749</u>	<u>116,496</u>
	<u>505,690</u>	<u>418,152</u>

8. Fees for audit of the financial statements

	2015 S\$	2014 S\$
Audit fees for reporting on :		
- Financial statements	1,925	2,600
- Certification of programs	<u>0</u>	<u>2,850</u>
	<u>1,925</u>	<u>5,450</u>

9. Income tax

The company is a charity registered under the Charities Act since 22 June 2005. Consequently, the income of the Company is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

10. Cash and bank balances

	2015 S\$	2014 S\$
Cash at bank, in transit and on hand	408,443	511,970
Fixed deposits with financial institutions	<u>856,248</u>	<u>401,495</u>
	<u>1,264,691</u>	<u>913,465</u>

Fixed deposits at the statement of financial position date had an average maturity of 9 months (2014: 8.5 months) from that date and had a weighted average effective interest rate of 0.65% (2014: 0.45%) per annum.

11. Grants and other receivables

	2015 S\$	2014 S\$
Accrued interest income	1,129	312
Deposits	4,086	13,069
Grant receivable	0	10,814
Other receivables	0	220
Prepayment	1,097	618
	<u>6,312</u>	<u>25,033</u>

The above receivables are neither past due nor impaired.

12. Property, plant and equipment

	Computers S\$	Furniture & fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2015					
Cost					
Beginning of financial year	20,256	14,261	9,671	308,236	352,424
Additions	9,888	556	407	0	10,851
End of financial year	<u>30,144</u>	<u>14,817</u>	<u>10,078</u>	<u>308,236</u>	<u>363,275</u>
Accumulated depreciation					
Beginning of financial year	14,386	6,590	4,381	102,745	128,102
Depreciation charge	6,231	4,022	2,780	102,745	115,778
End of financial year	<u>20,617</u>	<u>10,612</u>	<u>7,161</u>	<u>205,490</u>	<u>243,880</u>
Net book value at end of financial year	<u>9,527</u>	<u>4,205</u>	<u>2,917</u>	<u>102,746</u>	<u>119,395</u>
2014					
Cost					
Beginning of financial year	11,871	6,789	15,142	10,082	43,884
Additions	8,805	11,507	7,935	308,236	336,483
Written off	(420)	(4,035)	(13,406)	(10,082)	(27,943)
End of financial year	<u>20,256</u>	<u>14,261</u>	<u>9,671</u>	<u>308,236</u>	<u>352,424</u>
Accumulated depreciation					
Beginning of financial year	11,871	6,789	14,709	10,082	43,451
Depreciation charge	2,935	3,836	3,078	102,745	112,594
Written back	(420)	(4,035)	(13,406)	(10,082)	(27,943)
End of financial year	<u>14,386</u>	<u>6,590</u>	<u>4,381</u>	<u>102,745</u>	<u>128,102</u>
Net book value at end of financial year	<u>5,870</u>	<u>7,671</u>	<u>5,290</u>	<u>205,491</u>	<u>224,322</u>

13. Other payables and accruals

	2015 S\$	2014 S\$
Accruals	35,529	21,800
Advance receipt	580	0
CPF payable	<u>22,930</u>	<u>20,436</u>
	<u>59,039</u>	<u>42,236</u>

14. 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 purposes 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 institutional purposes.

Restricted funds comprise:

- a) NCSS project : Strengthening Support for Family of Drug Offenders ("SAFE")

The Company is one of the lead agencies in this two-year pilot project, starting 2014, to provide holistic after-care intervention for drug offenders immediately upon release from prison. In phase one of this pilot project that ran through the financial year 2014, counselors worked with 10 families of ex-offenders on relapse prevention, marital counselling, family financial management and parenting skills. Phase two which is planned for 2015 with a larger case-load of 20 families is under discussions.

- b) NCSS project: Understanding Substance and Behavioural Addictions ("USBA")

USBA is a 5-session programme that focuses on relapse prevention. At the end of the programme, participants will be able to map out their personal relapse prevention plans. Funding is subjected to annual renewal by NCSS.

- c) Care and Share matching grant

This 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.

- d) Tote Board Social Service Fund: Renovation fund

In the previous years, this represents grant received/receivable from the Tote Board Social Service Fund ("TBSSF") for the refurbishment of the new premise occupied by the Company.

14. Restricted funds (Cont'd)

Net assets of the restricted funds

	Care and Share	TBSSF renovation fund	Total
	S\$	S\$	S\$
Total restricted funds as at 31 December 2015	78,828	82,564	161,392
Represented by:			
Cash and bank balances	41,997	0	41,997
Property, plant and equipment	36,831	82,564	119,395
	<u>78,828</u>	<u>82,564</u>	<u>161,392</u>

	Care and Share	TBSSF renovation fund	Total
	S\$	S\$	S\$
Total restricted funds as at 31 December 2014	107,085	165,158	272,243
Represented by:			
Cash and bank balances	47,921	(10,814)	37,107
Grant receivables	0	10,814	10,814
Property, plant and equipment	59,164	165,158	224,322
	<u>107,085</u>	<u>165,158</u>	<u>272,243</u>

15 Related party transaction

The compensation of key management personnel during the financial year was as follows:

	2015 S\$	2014 S\$
Short-term benefits	<u>252,629</u>	<u>179,138</u>
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
S\$50,000 to S\$100,000	2	1
S\$100,001 to S\$150,000	<u>1</u>	<u>1</u>

The compensation of key management personnel is determined by the Board of Directors.

16. Commitments

The Company has entered into certain non-cancellable operating lease agreements with non-related parties.

	2015 S\$	2014 S\$
Within one year	46,885	46,885
Later than one year but not more than five years	15,628	62,513
	<u>62,513</u>	<u>109,398</u>

17. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2015 is as follows:

		2015 S\$'000	2014 S\$'000	Increase/ (decrease) %
A	Unrestricted Funds			
	Accumulated general funds	1,169,967	848,341	38
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	
	Restricted Funds	161,392	272,243	(41)
C	Endowment Funds	N/A	N/A	
D	Total Funds	1,331,359	1,120,584	19
E	Total Annual Operating Expenditure	798,084	697,101	14
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.47	1.22	21

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.

17. Reserve position and policy (Cont'd)

The Company's Reserve Policy is as follows:

The Company's Memorandum of Association provides that income and property of the Company shall be applied solely towards the objects of the Company and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to the members of the Company.

In the event of the Company being dissolved, all debts and liabilities legally incurred on behalf of the Company shall be fully discharged and the remaining funds shall not be paid or distributed among the members of the Company but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Company with the prohibitions or distribution of its or their income or property to an extent at least as great as is imposed on the Company. Such institution or institutions shall be determined by the members of the Company at or before the time of dissolution, and if not, then in some charitable object.

18. Authorisation of financial statements

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of the Company on **07 MAR 2016**