

**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 2016**

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Fiducia LLP

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

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 December 2016.

In the opinion of the directors,

- a) the financial statements as set out on pages 7 to 28 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2016, and of the financial performance, changes in funds and cash flows of the Company for the financial year covered by the financial statements; 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 statement are as follows:

Dr. Winslow Rasaiah Munidasa

Desmond Lum Siew Khuen

Lim Yun Chin

Cheang Chin Neo Alias Frances Cheang

Chong Kwang Shih

Andrew John Da Roza

Dr. Cheok Cheng Soon Christopher

Koh Kah Yeok

Toime Marius Elmar

Appointed on 11 May 2016

Appointed on 01 July 2016

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)

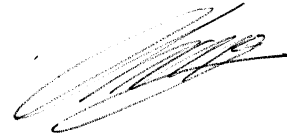
Independent Auditors

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, **12 APR 2017**

Fiducia LLP

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Accountants of Singapore

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Independent auditor's report to the members of:

WE CARE COMMUNITY SERVICES LIMITED

[UEN. 200506089N]
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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **We Care Community Services Limited** (the "Company") which comprise the statement of financial position of the Company as at 31 December 2016, and the statement of financial activities 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 Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2016, 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 ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 2 and 3 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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:

WE CARE COMMUNITY SERVICES LIMITED

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

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Independent auditor's report to the members of:

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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 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 its 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, 12 APR 2017

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	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\$	
2016 INCOME								
Income from generating fund								
Donations	6	201,333		0	0	0	0	201,333
- tax deductible		62,321		0	0	0	0	62,321
- non tax deductible		0		41,850	16,141	564,430	0	622,421
Grants		263,654		41,850	16,141	564,430	0	886,075
Income from fund raising activities								
Corporate Events	4	85,000		0	0	0	0	85,000
Charity event	5	87,642		0	0	0	0	87,642
		172,642		0	0	0	0	172,642
Investment income – Interest		15,306		0	0	0	0	15,306
Income from charitable activities:								
Counselling fees		39,837		0	0	0	0	39,837
Facility fee		6,010		0	0	0	0	6,010
Sales of books and merchandise		1,040		0	0	0	0	1,040
Training fees		1,989		0	0	0	0	1,989
		48,876		0	0	0	0	48,876
Other income – Wage Credit Scheme		34,671		0	0	0	0	34,671
TOTAL INCOME		535,149		41,850	16,141	564,430	0	1,157,570

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (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\$	
2016 EXPENDITURES (cont'd)								
Governance & other costs								
Audit fee	8	2,600		0	0	0	0	2,600
Bank Charges		2,195		0	0	0	0	2,195
Depreciation	12	1,063		0	0	34,393	82,564	116,957
General Expenses		665		44	0	0	0	709
Insurance		1,330		602	152	2,991	0	3,745
IT and website maintenance		893		236	87	1,721	0	2,937
Licence fees		680		0	0	0	0	680
Library resource		134		0	0	0	0	134
Medical expenses		421		40	14	0	0	475
Office cleaning & maintenance		3,039		1,312	343	6,749	0	11,443
Office refreshments		579		0	0	0	0	579
Postage and courier		247		0	0	0	0	247
Printing and stationery		840		328	91	1,798	0	3,057
Professional fees		5,600		0	0	0	0	5,600
Repairs and maintenance		1,430		439	146	2,883	0	4,898
Secretarial fee		321		0	0	0	0	321
Staff costs	7	103,345		0	0	14,314	0	117,659
Telecommunication		364		131	39	767	0	1,301
Transport and travelling		624		242	67	1,326	0	2,259
Utilities		2,243		987	254	5,002	0	8,486
		<u>128,613</u>		<u>4,361</u>	<u>1,193</u>	<u>71,944</u>	<u>82,564</u>	<u>288,675</u>
TOTAL EXPENDITURE		329,451		57,263	16,598	367,226	82,564	853,102
Net income / (expenditure)		205,698		(15,413)	(457)	197,204	(82,564)	304,468
Gross Transfer between funds		(15,870)		15,413	457	0	0	0
Net movements of funds		189,828		0	0	197,204	(82,564)	304,468
Total funds brought forward		<u>1,169,967</u>		<u>0</u>	<u>0</u>	<u>78,828</u>	<u>82,564</u>	<u>1,331,359</u>
		<u>1,359,795</u>		<u>0</u>	<u>0</u>	<u>276,032</u>	<u>0</u>	<u>1,635,827</u>

The accompanying notes form an integral part of these financial statements

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\$	
2015 INCOME								
Income from generating fund								
Donations								
- tax deductible	6		200,401	0	0	0	0	200,401
- non tax deductible			77,722	0	0	0	0	77,722
Grants			2,400	75,330	15,617	454,749	0	545,696
			280,523	75,330	15,617	454,749	0	826,219
Income from fund raising activities								
Corporate Events	4		37,500	0	0	0	0	37,500
Charity event	5		69,200	0	0	0	0	69,200
			106,700	0	0	0	0	106,700
Investment income - Interest			5,571	0	0	0	0	5,571
Income from charitable activities:								
Counselling fees			29,070	0	0	0	0	29,070
Facility fee			6,115	0	0	0	0	6,115
Sales of books and merchandise			448	0	0	0	0	448
Training fees			8,667	0	0	0	0	8,667
			44,300	0	0	0	0	44,300
Other income			26,069	0	0	0	0	26,069
TOTAL INCOME			463,163	75,330	15,617	454,749	0	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\$	Total S\$	
2015 EXPENDITURES									
Cost of fundraising activities									
Corporate event		8,950		0	0	0	0	0	8,950
Charity event		22,968		0	0	0	0	0	22,968
		<u>31,918</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,918</u>
Cost of charitable activities									
Associates fees		3,443		832	166	1,109	0	2,107	5,550
Communication and publicity		6,963		0	0	0	0	0	6,963
Events/activities expenses		752		534	106	2,170	0	2,810	3,562
Honorarium		2,253		1,605	321	6,527	0	8,453	10,706
Lease of equipment		582		410	82	1,665	0	2,157	2,739
Rental of premises		9,851		7,032	1,406	28,596	0	37,034	46,885
Sponsorships and donations		10,000		0	0	0	0	0	10,000
Staff costs	7	23,852		71,212	14,242	280,635	0	366,089	389,941
Stall Welfare		201		0	0	0	0	0	201
Trainings and seminars		0		0	0	4,613	0	4,613	4,613
Volunteer expenses		200		0	0	0	0	0	200
		<u>58,097</u>		<u>81,625</u>	<u>16,323</u>	<u>325,315</u>	<u>0</u>	<u>423,263</u>	<u>481,360</u>

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\$	Total S\$	
2015								
EXPENDITURES (cont'd)								
Governance & other costs								
Audit fee	8	1,925	0	0	0	0	0	1,925
Bank Charges		1,582	0	0	0	0	0	1,582
Depreciation		0	0	0	33,184	82,594	115,778	115,778
General Expenses	12	145	101	20	408	0	529	674
Insurance		914	651	130	2,647	0	3,428	4,342
IT and website maintenance		970	681	135	2,762	0	3,578	4,548
Licence fees		1,066	0	0	0	0	0	1,066
Library resource		433	0	0	0	0	0	433
Medical expenses		103	69	13	279	0	361	464
Office cleaning & maintenance		2,265	1,613	322	6,556	0	8,491	10,756
Office furnishings		50	0	0	0	0	0	50
Office refreshments		787	0	0	0	0	0	787
Postage and courier		158	0	0	0	0	0	158
Printing and stationery		880	627	125	2,549	0	3,301	4,181
Professional fees		5,000	0	0	0	0	0	5,000
Repairs and maintenance		552	391	78	1,587	0	2,056	2,608
Secretarial fee		321	0	0	0	0	0	321
Staff costs	7	16,789	0	0	98,960	0	98,960	115,749
Telecommunication		302	209	41	846	0	1,096	1,398
Transport and travelling		746	529	105	2,150	0	2,784	3,530
Utilities		1,992	1,418	283	5,763	0	7,464	9,456
		<u>36,980</u>	<u>6,289</u>	<u>1,252</u>	<u>157,691</u>	<u>82,594</u>	<u>247,826</u>	<u>284,806</u>
TOTAL EXPENDITURE		126,995	87,914	17,575	483,006	82,594	671,089	798,084
Net income / (expenditure)		336,168	(12,584)	(1,958)	(28,257)	(82,594)	(125,393)	210,775
Gross Transfer between funds		(14,542)	12,584	1,958	0	0	14,542	0
Net movements of funds		321,626	0	0	(28,257)	(82,594)	(110,851)	210,775
Total funds brought forward		848,341	0	0	107,085	165,158	272,243	1,120,584
		<u>1,169,967</u>	<u>0</u>	<u>0</u>	<u>78,828</u>	<u>82,564</u>	<u>161,392</u>	<u>1,331,359</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and bank balances	10	1,673,833	1,264,691
Other receivables	11	6,904	6,312
		<u>1,680,737</u>	<u>1,271,003</u>
Non-current assets			
Property, plant and equipment	12	8,187	119,395
Total assets		<u>1,688,924</u>	<u>1,390,398</u>
LIABILITIES			
Current liabilities			
Other payables and accruals	13	53,097	59,039
Total liabilities		<u>53,097</u>	<u>59,039</u>
NET ASSETS		<u>1,635,827</u>	<u>1,331,359</u>
FUNDS			
<u>Unrestricted fund</u>			
General fund		1,359,795	1,169,967
<u>Restricted funds</u>	14	276,032	161,392
		<u>1,635,827</u>	<u>1,331,359</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income		304,468	210,775
Adjustments for:			
- Depreciation	12	118,020	115,778
- Interest income		<u>(15,306)</u>	<u>(5,571)</u>
Operating cash flow before working capital changes		407,182	320,982
Changes in working capital			
- Other receivables		310	19,850
- Other payables and accruals		<u>(5,942)</u>	<u>16,803</u>
Net cash provided by operating activities		<u>401,550</u>	<u>357,635</u>
Cash flows from investing activities			
Interest income received		14,404	4,442
Purchases of property, plant and equipment	12	<u>(6,812)</u>	<u>(10,851)</u>
Net cash used in investing activities		<u>7,592</u>	<u>(6,409)</u>
Net increase in cash and cash equivalents		409,142	351,226
Cash and cash equivalents at beginning of financial year		1,264,691	913,465
Cash and cash equivalents at end of financial year		<u>1,673,833</u>	<u>1,264,691</u>
Cash and cash equivalents comprise:			
Cash on hand and in transit		21	8,205
Cash at bank		352,030	400,238
Fixed deposits		<u>1,321,782</u>	<u>856,248</u>
	10	<u>1,673,833</u>	<u>1,264,691</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 2016, the Company has 10 members (2015: 8 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 Charities Accounting Standard ("CAS") issued by the Singapore Accounting Standard Council and the disclosure requirements of the Companies Act, Charities Act and Regulations. 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 over 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.

Significant accounting policies (Cont'd)**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.

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.

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. 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)

	Note	2016 S\$	2015 S\$
Tax exempt donations	6	50,100	20,600
Non-tax exempt donations		<u>34,900</u>	<u>16,900</u>
		<u>85,000</u>	<u>37,500</u>

5. Charity event – donations (Amazing WeCare Race)

	Note	2016 S\$	2015 S\$
Tax exempt donations	6	83,524	67,200
Donation in-kind		<u>4,118</u>	<u>2,000</u>
		<u>87,642</u>	<u>69,200</u>

6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$334,957 (2015: S\$288,201) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	Note	2016 S\$	2015 S\$
Statement of Financial Activities:			
General fund:			
- Donations		201,333	200,401
- Charity event	5	83,524	67,200
- Corporate events	4	<u>50,100</u>	<u>20,600</u>
		<u>334,957</u>	<u>288,201</u>

7. Staff costs

Included in the expenses expended are the following staff costs:

	2016 S\$	2015 S\$
CPF and SDF contributions	63,071	57,809
Salaries and bonus	500,773	447,881
	<u>563,844</u>	<u>505,690</u>

The staff costs were allocated as follows:

	2016 S\$	2015 S\$
• Costs of charitable activities	446,185	389,941
• Governance and other costs	117,659	115,749
	<u>563,844</u>	<u>505,690</u>

8. Fees for audit of the financial statements

	2016 S\$	2015 S\$
Audit fees for reporting on :		
- Financial statements	2,600	1,925
	<u>2,600</u>	<u>1,925</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

	2016 S\$	2015 S\$
Cash at bank, in transit and on hand	352,051	408,443
Fixed deposits with financial institutions	1,321,782	856,248
	<u>1,673,833</u>	<u>1,264,691</u>

Fixed deposits at the statement of financial position date had an average maturity of 10 months (2015: 9 months) from that date and had a weighted average effective interest rate of 1.16% (2015: 0.65%) per annum.

11. Other receivables

	2016 S\$	2015 S\$
Accrued interest income	902	1,129
Deposits	4,329	4,086
Prepayment	1,673	1,097
	<u>6,904</u>	<u>6,312</u>

The above receivables are neither past due nor impaired.

12. Property, plant and equipment

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	S\$	S\$	S\$	S\$	S\$
2016					
Cost					
Beginning of financial year	30,144	14,817	10,078	308,236	363,275
Additions	3,851	0	2,961	0	6,812
End of financial year	33,995	14,817	13,039	308,236	370,087
Accumulated depreciation					
Beginning of financial year	20,617	10,612	7,161	205,490	243,880
Depreciation charge	7,515	4,021	3,767	102,717	118,020
End of financial year	28,132	14,633	10,928	308,207	361,900
Net book value at end of financial year	5,863	184	2,111	29	8,187
	Computers	Furniture & fittings	Office equipment	Renovation	Total
	S\$	S\$	S\$	S\$	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	30,144	14,817	10,078	308,236	363,275
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	20,617	10,612	7,161	205,490	243,880
Net book value at end of financial year	9,527	4,205	2,917	102,746	119,395

The following property, plant and equipment were purchased through the Care and Share Fund and TBSSF renovation fund as disclosed in note 14.

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	S\$	S\$	S\$	S\$	S\$
2016					
Cost					
Beginning of financial year	18,693	12,063	8,342	308,236	347,334
Additions	1,262	0	2,361	0	3,623
End of financial year	19,955	12,063	10,703	308,236	350,957
Accumulated depreciation					
Beginning of financial year	9,166	7,857	5,425	205,491	227,939
Depreciation charge	6,652	4,021	3,567	102,717	116,957
End of financial year	15,818	11,878	8,992	308,208	344,896
Net book value at end of financial year	4,137	185	1,711	28	6,061

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

	Computers	Furniture & fittings	Office equipment	Renovation	Total
2015	S\$	S\$	S\$	S\$	S\$
Cost					
Beginning of financial year	8,805	10,227	7,935	308,236	335,203
Additions	9,888	1,836	407	0	12,131
End of financial year	18,693	12,063	8,342	308,236	347,334
Accumulated depreciation					
Beginning of financial year	2,935	3,836	2,645	102,745	112,161
Depreciation charge	6,231	4,021	2,780	102,746	115,778
End of financial year	9,166	7,857	5,425	205,491	227,939
Net book value at end of financial year	9,527	4,206	2,917	102,745	119,395

13. Other payables and accruals

	2016	2015
	S\$	S\$
Accruals	27,615	35,529
Advance receipt	0	580
CPF payable	25,482	22,930
	<u>53,097</u>	<u>59,039</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. The project was extended into Phase Two in 2016, where the objective was to serve another 20 families. Upon completion of the project, an independent study of the project outcome led by Associate Professor Marcus Chiu, National University of Singapore, yielded highly positive results. The project was successfully completed by October 2016 and the last milestone payment received in December 2016.

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.

14. Restricted funds (Cont'd)

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.

Net assets of the restricted funds

	Care and Share S\$	TBSSF renovation fund S\$	Total S\$
Total restricted funds as at 31 December 2016	<u>276,032</u>	<u>0</u>	<u>276,032</u>

Represented by:

Cash and bank balances	269,971	0	269,971
Property, plant and equipment	6,061	0	6,061
	<u>276,032</u>	<u>0</u>	<u>276,032</u>

	Care and Share S\$	TBSSF renovation fund S\$	Total S\$
Total restricted funds as at 31 December 2015	<u>78,828</u>	<u>82,564</u>	<u>161,392</u>

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>

15 Related party transaction

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

	2016 S\$	2015 S\$
Short-term benefits	<u>277,275</u>	<u>252,629</u>
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
S\$50,000 to S\$100,000	2	2
S\$100,001 to S\$150,000	<u>1</u>	<u>1</u>

The compensation of key management personnel is determined by the directors.

16. Commitments

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

	2016 S\$	2015 S\$
Within one year	17,266	46,885
Later than one year but not more than five years	<u>0</u>	<u>15,628</u>
	<u>17,266</u>	<u>62,513</u>

17. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2016 is as follows:

		2016 S\$'000	2015 S\$'000	Increase/ (decrease) %
A	Unrestricted Funds			
	Accumulated general funds	1,360	1,170	16%
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	
	Restricted Funds	276	161	71%
C	Endowment Funds	N/A	N/A	
D	Total Funds	1,636	1,331	23%
E	Total Annual Operating Expenditure	853	798	7%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.59	1.47	

17. Reserve position and policy (Cont'd)

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses.

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 directors of the Company on **12 APR 2017**