

VERY SPECIAL ARTS SINGAPORE LTD

[UEN: 199500567G]

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

[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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Suhaimi Salleh & Associates

[UEN: S88PF0247L]

Public Accountants and

Chartered Accountants of Singapore

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

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Very Special Arts Singapore Ltd (the "Company") for the financial year ended 31 March 2018.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2018, 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 of the Company in office at the date of this statement are:

Jacqueline Chan Su-Lynn
Audrey Sim Hsien Lin (Audrey Shen Xianlian)
Patrick Tan Keng Sin
Andrew Liew
Lim Juliana Patricia
Stimpson Wendy Helen

Arrangements to enable directors to acquire benefits

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


Other matters

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

Independent auditors

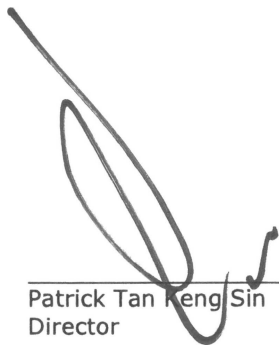
The independent auditors, Messrs. Suhaimi Salleh & Associates, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Andrew Liew
Director

Singapore, 07 AUG 2018



Patrick Tan Keng Sin
Director

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

VERY SPECIAL ARTS SINGAPORE LTD
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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Very Special Arts Singapore Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditors' 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.

Suhaimi Salleh & Associates

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Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

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Responsibilities of Management and Directors for the Financial Statements

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

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

The directors' responsibilities include overseeing the Company's financial reporting process.

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

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

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

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

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

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

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

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that caused 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.



Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants
Singapore, 07 AUG 2018

Partner-in-charge: Looi Chee Bin
PAB No.: 01834

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted Fund		Restricted Funds					Total NCSS Fund S\$	Total restricted and unrestricted funds S\$
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		
INCOME										
Income from generating funds										
<u>Voluntary income</u>										
Donations	5	431,064	103,500	0	0	0	0	134,500	134,500	669,064
Donations in-kind		27,822	0	0	0	0	0	46,980	46,980	74,802
Government grants		29,841	78,872	0	0	0	0	8,000	8,000	116,713
Singapore Totalizator Board Social Service funding		0	0	0	0	0	156,777	0	156,777	156,777
Grant income – The Nippon Foundation and others		0	2,536,193	0	0	0	0	0	0	2,536,193
		488,727	2,718,565	0	0	0	156,777	189,480	346,257	3,553,549
<u>Activities for generating funds</u>										
Fundraising events	5	111,400	0	0	0	0	0	0	0	111,400
Sales of work		0	9,252	0	0	0	0	136,562	136,562	145,814
Sales of ticket		7,825	129,709	0	0	0	0	0	0	137,534
		119,225	138,961	0	0	0	0	136,562	136,562	394,748
Income from charitable activities										
Programme fees		75,008	5,510	0	0	0	0	104,338	104,338	184,856
		75,008	5,510	0	0	0	0	104,338	104,338	184,856
Other income										
Bank interest income		1,807	0	0	0	0	0	0	0	1,807
Fixed deposits interest income		13,291	0	0	0	0	0	0	0	13,291
Miscellaneous income		2,272	2,810	0	0	0	0	92	93	5,174
		17,370	2,810	0	0	0	0	92	93	20,272
Total income		700,330	2,865,846	0	0	0	156,777	430,472	587,249	4,153,425

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Note	Unrestricted Fund		Restricted Funds					Total NCSS Fund S\$	Total restricted and unrestricted funds S\$
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		
EXPENDITURE										
Cost of generating funds										
Fundraising event expenses		14,641	0	0	0	0	866	13,775	14,641	29,282
		<u>14,641</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>866</u>	<u>13,775</u>	<u>14,641</u>	<u>29,282</u>
Government and Administrative costs										
Audit fee		2,444	0	0	0	0	145	2,299	2,444	4,888
Assist to clients		0	15,045	0	0	0	6,395	101,707	108,102	123,147
Bank charges		1,051	1,466	0	537	0	148	2,347	2,495	5,549
Communications		2,341	294	0	39	0	158	2,508	2,666	5,340
Depreciation	9	25,369	0	0	0	0	2,094	33,303	35,397	60,766
Insurance		1,118	0	0	0	0	66	1,052	1,118	2,236
Maintenance of equipment		18,349	0	0	0	0	1,085	17,263	18,348	36,697
Miscellaneous expenses		0	0	0	0	0	222	3,528	3,750	3,750
Printing and stationery		193	0	0	4,543	0	45	720	765	5,501
Professional fee		31,288	791,024	0	52,984	0	5,694	90,562	96,256	971,552
Rental of premises and facilities		21,349	132,267	0	32,165	0	4,618	73,441	78,059	263,840
Staff costs	6	149,022	1,643	0	44,054	0	127,237	279,802	407,039	601,758
Supplies and materials		35,136	1,907,689	0	35,823	0	7,367	117,015	124,382	2,103,030
Transport		3,131	16,756	0	738	0	375	5,958	6,333	26,958
Utilities		3,717	0	0	340	0	262	4,163	4,425	8,482
		<u>294,508</u>	<u>2,866,184</u>	<u>0</u>	<u>171,223</u>	<u>0</u>	<u>155,911</u>	<u>735,668</u>	<u>891,579</u>	<u>4,223,494</u>
Total expenditure		<u>309,149</u>	<u>2,866,184</u>	<u>0</u>	<u>171,223</u>	<u>0</u>	<u>156,777</u>	<u>749,443</u>	<u>906,220</u>	<u>4,252,776</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Note	Unrestricted Fund	Restricted Funds						Total restricted and unrestricted funds S\$	
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		Total NCSS Fund S\$
Net income/ (expenditure) for the financial year		391,181	(338)	0	(171,223)	0	0	(318,971)	(318,971)	(99,351)
Total funds brought forward		2,842,343	338	0	231,811	0	0	(806,984)	(806,984)	2,267,508
Total funds carried forward		3,234,524	0	0	60,588	0	0	(1,125,955)	(1,125,955)	2,168,157

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted Fund		Restricted Funds					Total NCSS Fund S\$	Total restricted and unrestricted funds S\$
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		
INCOME										
Income from generating funds										
<u>Voluntary income</u>										
Donations	5	269,622	0	0	0	0	0	8,250	8,250	277,872
Donations in-kind		0	0	0	0	0	0	45,328	45,328	45,328
Government grants		31,268	0	0	474,847	50,000	0	19,480	19,480	575,595
Singapore Totalizator Board Social Service funding		0	0	0	0	0	152,421	0	152,421	152,421
Grant income – The Nippon Foundation and others		0	66,462	0	0	0	0	0	0	66,462
		300,890	66,462	0	474,847	50,000	152,421	73,058	225,479	1,117,678
<u>Activities for generating funds</u>										
Fundraising events	5	89,417	0	0	0	0	0	0	0	89,417
Sales of work		189	0	0	0	0	0	94,540	94,540	94,729
Sales of ticket		1,720	0	0	0	0	0	0	0	1,720
		91,326	0	0	0	0	0	94,540	94,540	185,866
Income from charitable activities										
Programme fees		27,069	0	0	0	0	0	64,994	64,994	92,063
		27,069	0	0	0	0	0	64,994	64,994	92,063
Other income										
Bank interest income		1,192	363	0	0	0	0	0	0	1,555
Fixed deposits interest income		25,520	0	0	0	0	0	0	0	25,520
Miscellaneous income		13,027	0	0	0	0	0	491	491	13,518
		39,739	363	0	0	0	0	491	491	40,593
Total income		459,024	66,825	0	474,847	50,000	152,421	233,083	385,504	1,436,200

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

	Note	Unrestricted Fund		Restricted Funds					Total NCSS Fund S\$	Total restricted and unrestricted funds S\$
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		
EXPENDITURE										
Cost of generating funds										
Fundraising event expenses		20,449	0	0	0	0	0	0	0	20,449
		<u>20,449</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,449</u>
Government and Administrative costs										
Audit fee		1,850	0	0	0	0	86	1,764	1,850	3,700
Assist to clients		150	0	0	455	12,891	6,263	48,424	54,687	68,183
Bank charges		538	0	0	63	134	105	1,162	1,267	2,002
Communications		1,929	0	0	393	96	157	2,401	2,558	4,976
Depreciation	9	19,571	0	0	0	0	0	19,572	19,572	39,143
Insurance		950	0	0	0	0	98	1,438	1,536	2,486
Loss/ (gain) on property, plant and equipment		1,441	0	0	0	0	0	(100)	(100)	1,341
Maintenance of equipment		2,659	0	0	288	130	226	3,401	3,627	6,704
Miscellaneous expenses		0	0	0	0	0	288	2,812	3,100	3,100
Printing and stationery		208	2,500	0	9,505	1,041	513	4,074	4,587	17,841
Professional fee		7,498	54,575	0	59,610	1,290	5,517	56,405	61,922	184,895
Rental of premises and facilities		5,737	1,817	0	19,954	11,881	7,014	59,563	66,577	105,966
Staff costs	6	136,996	0	0	54,225	11,646	122,882	200,684	323,566	526,433
Supplies and materials		7,677	2,621	0	34,299	10,125	8,667	88,787	97,454	152,176
Transport		517	4,974	0	2,569	662	352	3,039	3,391	12,113
Utilities		4,379	0	0	277	104	253	4,562	4,815	9,575
		<u>192,100</u>	<u>66,487</u>	<u>0</u>	<u>181,638</u>	<u>50,000</u>	<u>152,421</u>	<u>497,988</u>	<u>650,409</u>	<u>1,140,634</u>
Total expenditure		<u>212,549</u>	<u>66,487</u>	<u>0</u>	<u>181,638</u>	<u>50,000</u>	<u>152,421</u>	<u>497,988</u>	<u>650,409</u>	<u>1,161,083</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

	Note	Unrestricted Fund		Restricted Funds					Total restricted and unrestricted funds S\$	
		General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		Total NCSS Fund S\$
Net income/ (expenditure) for the financial year		246,475	338	0	293,209	0	0	(264,905)	(264,905)	275,117
Total funds brought forward		2,595,868	0	0	(61,398)	0	0	(542,079)	(542,079)	1,992,391
Total funds carried forward		2,842,343	338	0	231,811	0	0	(806,984)	(806,984)	2,267,508

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,450,729	2,634,137
Other receivables	8	230,971	69,338
		<u>2,681,700</u>	<u>2,703,475</u>
Non-current asset			
Property, plant and equipment	9	653,301	215,082
		<u>653,301</u>	<u>215,082</u>
Total assets		<u>3,335,001</u>	<u>2,918,557</u>
LIABILITIES			
Current liabilities			
Other payables	10	1,157,799	82,001
Deferred income - Project	11	2,832	562,835
		<u>1,160,631</u>	<u>644,836</u>
Non-current liability			
Deferred income - Building Fund	13	6,213	6,213
		<u>6,213</u>	<u>6,213</u>
Total liabilities		<u>1,166,844</u>	<u>651,049</u>
NET ASSETS		<u>2,168,157</u>	<u>2,267,508</u>
FUNDS			
Unrestricted fund			
General Fund	13	3,233,524	2,842,343
		<u>3,233,524</u>	<u>2,842,343</u>
Restricted funds			
The Nippon Foundation	14	0	338
Building Fund	15	0	0
Care & Share Fund	16	60,588	231,811
President's Challenge	17	0	0
NCSS Fund	18	(1,125,955)	(806,984)
		<u>(1,065,367)</u>	<u>(574,835)</u>
TOTAL FUNDS		<u>2,168,157</u>	<u>2,267,508</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers from/ (to) S\$	Balance at end of financial year S\$
2018				
Unrestricted fund				
General Fund	2,842,343	391,181	0	3,233,524
Restricted funds				
The Nippon Foundation	338	(338)	0	0
Building Fund	0	0	0	0
Care & Share Fund	231,811	(171,223)	0	60,588
President's Challenge	0	0	0	0
NCSS Fund	(806,984)	(318,971)	0	(1,125,955)
	<u>(574,835)</u>	<u>(490,532)</u>	<u>0</u>	<u>(1,065,367)</u>
Total funds	<u>2,267,508</u>	<u>(99,351)</u>	<u>0</u>	<u>2,168,157</u>

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers from/ (to) S\$	Balance at end of financial year S\$
2017				
Unrestricted fund				
General Fund	2,595,868	246,475	0	2,842,343
Restricted funds				
The Nippon Foundation	0	338	0	338
Building Fund	0	0	0	0
Care & Share Fund	(61,398)	293,209	0	231,811
President's Challenge	0	0	0	0
NCSS Fund	(542,079)	(264,905)	0	(806,984)
	<u>(603,477)</u>	<u>28,642</u>	<u>0</u>	<u>(574,835)</u>
Total funds	<u>1,992,391</u>	<u>275,117</u>	<u>0</u>	<u>2,267,508</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net (expenditure) / income for the financial year		(99,351)	275,117
Adjustments for:			
- Depreciation	9	60,766	39,143
- Interest income on fixed deposit		(13,291)	(25,520)
- Loss on disposal of property, plant and equipment		0	1,541
Operating cash flow before changes in working capital		<u>(51,876)</u>	<u>290,281</u>
Changes in working capital			
- Other receivables		(174,021)	(26,515)
- Other payables		1,067,399	43,837
- Deferred income		(551,604)	562,835
Net cash provided by operating activities		<u>289,898</u>	<u>870,438</u>
Cash flows from investing activities			
Interest received		25,679	8,482
Purchase of property, plant and equipment	9	<u>(498,985)</u>	<u>(21,521)</u>
Net cash used in investing activities		<u>(473,306)</u>	<u>(13,039)</u>
Net (decrease) / increase in cash and cash equivalents		(183,408)	857,399
Cash and cash equivalents at beginning of financial year		2,634,137	1,776,738
Cash and cash equivalents at end of financial year	7	<u>2,450,729</u>	<u>2,634,137</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

1. General information

Very Special Arts Singapore Ltd (the "Company") is a public company limited by guarantee and not having share capital. The Company is incorporated and domiciled in Singapore. The Company's registered address and principal place of business is located at 133 Bedok North Avenue 3, #01-138 Singapore 460133.

The Company was registered as charity under the Charities Act, Chapter 37 on 05 September 1995. The Company has been accorded an Institutions of a Public Character ("IPC") status until 31 July 2019.

The principal activities of the Company are those of providing social services without accommodation for children, youth and families as well as job training and vocational rehabilitation services.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.1.1 Interpretations and amendments to published standards effective in 2017

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 April 2017. The adoption of the standard did not have any material effect on the financial statements.

2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 109 Financial instruments	1 January 2018
FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases	1 January 2019

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standard issued but not yet effective (Cont'd)

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees- leases of "low value" assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard to result in an increase in total assets and total liabilities, earnings before interest, taxes, depreciation and amortisation (EBITDA) and gearing ratio.

2.2 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

2.2.1 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the financial year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.2 Donations-in-kind

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.3 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

2.2.4 Fundraising events income

Revenue from special events is recognised when the event takes place.

2.2.5 Sales of works and tickets

Sales of works and tickets are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer or when services have been rendered.

2.2.6 Programme fees

Programme fees income are recognised throughout the duration of the programme.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.7 Interest income

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

2.2.8 Other Income

Other income is recognised when received.

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.

2.3.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.3.2 Governance and administrative costs

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

2.4 Property, plant and equipment

2.4.1 Measurement

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

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

2.4.2 Depreciation

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

Renovation	Useful lives 10 years
Furniture and fixtures	5 years
Office equipment	3 - 5 years

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of 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. Significant accounting policies (Cont'd)

2.4 Property plant and equipment (Cont'd)

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.4.4 Disposal

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

Fully depreciated asset still in use are retained in the financial statements.

2.5 Impairment of non-financial assets

Non-financial assets 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 assets' 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 financial 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 Company 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.

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 reporting date, which are classified as non-current assets. Loans and receivables are classified within "Cash and cash equivalents" and "Other receivables" on the statement of financial position.

2. Significant accounting policies (Cont'd)

2.6 Finance assets (Cont'd)

2.6.2 Recognition and derecognition

Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.6.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

2.6.4 Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using effective interest method.

2.6.5 Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired 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 other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

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 statement of financial activities.

The allowance for impairment loss account is reduced through 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 changes in value.

2.8 Other receivables

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

2. Significant accounting policies (Cont'd)

2.9 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

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

2.10 Other payables

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, 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.

2.11 Provision for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.12 Operating leases

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to statement of financial activities. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss 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.

2.13 Foreign currencies

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.14 Employee benefits

2.14.1 Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.14.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2.16 Contingencies

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

3. Critical accounting estimates, assumptions and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

3. Critical accounting estimates, assumptions and judgements (cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.2.1 Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment as of 31 March 2018 is S\$653,301 (2017:S\$215,082).

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 March 2018 and 2017.

4. Income tax

The Company is a charity registered under the Charities Act since 05 September 1995. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

5. Donations

	2018 S\$	2017 S\$
Tax exempt donations	742,118	251,928
Non-tax exempt donations	38,346	115,361
	<u>780,464</u>	<u>367,289</u>
The donations were allocated as follows:		
• Donations	669,064	277,872
• Fundraising events	111,400	89,417
	<u>780,464</u>	<u>367,289</u>

6. Staff costs

Staff costs were allocated as follows:

	General fund S\$	Care & Share fund S\$	The Nippon Fund S\$	NCSS funded programme S\$	NCSS non-funded programme S\$	Total NCSS fund S\$	Total S\$
2018							
Staff salaries, bonuses and professional fee	129,206	36,246	0	107,671	239,569	347,240	512,692
Employer's contribution to CPF and SDL	15,336	4,786	0	18,328	34,873	53,201	73,323
Staff insurance	585	306	0	278	754	1,032	1,923
Staff transport	1,863	612	1,311	528	2,168	2,696	6,482
Staff training	362	1,889	50	135	526	661	2,962
Staff welfare	1,670	215	282	297	1,912	2,209	4,376
	<u>149,022</u>	<u>44,054</u>	<u>1,643</u>	<u>127,237</u>	<u>279,802</u>	<u>407,039</u>	<u>601,758</u>

	General fund S\$	Care & Share fund S\$	Presidents' Challenge S\$	NCSS funded programme S\$	NCSS non-funded programme S\$	Total NCSS fund S\$	Total S\$
2017							
Staff salaries, bonuses and professional fee	119,821	40,635	9,873	109,477	179,883	289,360	459,689
Employer's contribution to CPF and SDL	11,157	6,719	1,636	11,813	18,090	29,903	49,415
Staff insurance	501	470	51	547	765	1,312	2,334
Staff transport	783	639	36	425	794	1,219	2,677
Staff training	3,651	5,472	0	10	30	40	9,163
Staff welfare	1,083	290	50	610	1,122	1,732	3,155
	<u>136,996</u>	<u>54,225</u>	<u>11,646</u>	<u>122,882</u>	<u>200,684</u>	<u>323,566</u>	<u>526,433</u>

7. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	6,872	2,012
Cash at banks	1,089,011	1,032,125
Fixed deposits	<u>1,354,846</u>	<u>1,600,000</u>
	<u>2,450,729</u>	<u>2,634,137</u>

The fixed deposits mature within 6 to 12 months (2017: 1 to 8 months) from the financial year end and earn interest at rate of 1.10% to 1.30% (2017: 1.10% to 1.93%) per annum.

At the reporting date, the carrying amounts of fixed deposits approximate their fair values.

8. Other receivables

	2018 S\$	2017 S\$
Other receivables	188,064	24,558
Interest receivables on fixed deposits	5,877	18,265
Deposit	36,158	16,709
Prepayments	<u>872</u>	<u>9,806</u>
	<u>230,971</u>	<u>69,338</u>

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

9. Property, plant and equipment

	Renovation S\$	Furniture and fixtures S\$	Office equipment S\$	Total S\$
Cost				
At 1 April 2016	316,614	7,877	40,690	367,231
Additions	0	0	21,521	21,521
Written off	0	0	(11,884)	(11,884)
At 31 March 2017	316,614	7,877	50,327	376,868
Additions	488,547	0	10,438	498,985
Written off	0	0	0	(2,050)
At 31 March 2018	805,161	7,877	60,765	873,803
Accumulated depreciation				
At 1 April 2016	100,250	4,428	26,258	132,986
Depreciation	30,909	1,497	6,737	39,143
Written off	0	0	(10,343)	(10,343)
At 31 March 2017	131,159	5,925	22,652	161,786
Depreciation	50,965	641	9,160	60,766
Written off	0	0	0	(2,050)
At 31 March 2018	182,124	6,566	31,812	220,502
Carrying amount				
31 March 2017	185,455	1,952	27,675	215,082
31 March 2018	623,037	1,311	28,953	653,301

10. Other payables

	2018 S\$	2017 S\$
Other payables	35,045	15,594
Accruals	1,114,355	66,407
Deferred income	<u>8,399</u>	<u>0</u>
	<u>1,157,799</u>	<u>82,001</u>

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

11. Deferred income – Project

	2018 S\$	2017 S\$
At beginning of financial year	562,835	0
Received during the financial year	2,305,842	629,297
Transferred to project income	<u>(2,865,845)</u>	<u>(66,462)</u>
At end of financial year	<u>2,832</u>	<u>562,835</u>

At the reporting date, the carrying amounts of deferred income – Project approximate their fair value.

12. Deferred income – Building Fund

	2018 S\$	2017 S\$
At beginning and end of financial year	<u>6,213</u>	<u>6,213</u>

At the reporting date, the carrying amounts of deferred income – Building Fund approximate their fair value.

13. General Fund

The General Fund are expendable at the discretion of the Management in furtherance of the Company's objects and purposes.

14. The Nippon Foundation Fund

This fund is set up for the expenses incurred on the project, TRUE COLORS Asia Pacific Festival of Artists with Disabilities. The Company have received the grant income from The Nippon Foundation and other corporate to support this project.

Movement for the financial year is as follows:

	2018 S\$	2017 S\$
At beginning of financial year	338	0
Add: Income	2,865,483	66,825
Less: Expenditure	<u>(2,865,821)</u>	<u>(66,487)</u>
At end of financial year	<u>0</u>	<u>338</u>

15. Building Fund

The building fund comprises a specific donation received from Lee Foundation for the construction and maintenance of the Company's office, including furnishing and equipment cost.

Building fund, to the extent utilised, is recognised in the statement of financial activities over the useful life of the property, plant and equipment purchased with the proceeds from the fund to correspond to the depreciation charge in respect of such assets. The unutilised portion of the fund is retained in the statement of financial position.

16. Care & Share Fund

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Company provided by the Government in celebration of SGD50 to build capabilities and capabilities of the social service sector.

17. President's Challenge

Initiated by former President S R Nathan in 2000 and continued by President Tony Tan in 2012, the President's Challenge is an annual series of events to create greater awareness of the needs of the social service voluntary sector, and to mobilise the community to help the disadvantaged and less fortunate in our midst.

18. NCSS Fund

The fund was set up to provide the funding to the Alive and Alert programmes. It's restricted to the NCSS funded programmes.

19. Operating lease commitments

The Company leases office premise from non-related parties under non-cancellable operating lease agreement. The lease has renewal rights.

The future minimum rental payable under non-cancellable operating lease contracted for at the end of the reporting date, but not recognised as liabilities, are as follows:

	2018 S\$	2017 S\$
Not later than one year	43,536	43,536
Later than one year but not later than five years	<u>112,830</u>	<u>156,365</u>
	<u>156,366</u>	<u>199,901</u>

20. Related party transactions and balances

(a) Related party transactions and balances

There was no transaction between the Company and related party for the financial year ended 31 March 2018 and 31 March 2017.

During the current and previous financial year, none of the directors received any remuneration from the Company.

20. Related party transactions and balances (Cont'd)

(b) Compensation of key management personnel

Key management personnel compensation for the financial year was as follows:

	2018 S\$	2017 S\$
Executive's remuneration:		
Salaries and bonuses	241,363	176,939
Employer's contribution to CPF	25,160	19,585
	<u>266,523</u>	<u>196,524</u>
No. of executive of the Company in remuneration bands:		
Below S\$100,000	0	3
Above S\$100,000 and below S\$200,000	2	0
	<u>2</u>	<u>3</u>

21. Financial instruments

The financial assets and liabilities of the Company as at the financial reporting date was as follows:

	2018 S\$	2017 S\$
<u>Financial Assets</u>		
Loans and receivables		
Cash and cash equivalents	2,450,729	2,634,137
Other receivables (excluding prepayments)	230,099	59,532
	<u>2,680,828</u>	<u>2,293,669</u>
<u>Financial Liability carried at amortised cost</u>		
Other payables (excluding deferred income)	<u>1,149,400</u>	<u>82,001</u>

22. Financial risk management

The Company is mainly exposed to interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board reviews and agrees on policies and procedures for management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Company does not expect any significant effect on the Company's statement of financial activities arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

22. Financial risk management (Cont'd)

Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2018 S\$	2017 S\$
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits	<u>1,354,846</u>	<u>1,600,000</u>

The sensitivity analysis is not disclosed as management deemed not expect to be material.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Company.

The Company does has minimal exposure to credit risks due to the nature of its activities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting date based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2018			
Financial assets			
Cash and cash equivalents	2,450,729	0	2,450,729
Other receivables (excluding prepayments)	<u>230,099</u>	<u>0</u>	<u>230,099</u>
	<u>2,680,828</u>	<u>0</u>	<u>2,680,828</u>
Financial liability			
Other payables (excluding deferred income)	<u>(1,149,400)</u>	<u>0</u>	<u>(1,149,400)</u>
	<u>(1,149,400)</u>	<u>0</u>	<u>(1,149,400)</u>
Net financial assets	<u>1,531,428</u>	<u>0</u>	<u>1,531,428</u>

22. Financial risk management (Cont'd)

Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2017			
Financial assets			
Cash and cash equivalents	2,634,137	0	2,634,137
Other receivables (excluding prepayments)	59,532	0	59,532
	<u>2,693,669</u>	<u>0</u>	<u>2,693,669</u>
Financial liability			
Other payables	(82,001)	0	(82,001)
	<u>(82,001)</u>	<u>0</u>	<u>(82,001)</u>
Net financial assets	<u>2,611,668</u>	<u>0</u>	<u>2,611,668</u>

23. Fair values

As at 31 March 2018, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

24. Fund raising expenses

	2018 S\$	2017 S\$
Gross donations	111,400	89,417
Direct costs of fund raising expenses	29,282	20,449
Percentage of direct fund raising expenses over gross donations and sponsorship	<u>26%</u>	<u>22%</u>

25. Reserve position and policy

The Company's reserve position for financial year ended 31 March 2018 and 2017 is as follows:

		2018	2017	Increase/ (decrease)
		S\$	S\$	%
A	Unrestricted Fund			
	General Fund	3,233,524	2,842,343	13.76
B	Restricted Funds			
	The Nippon Foundation	0	338	(100)
	Building Fund	0	0	0.00
	Care & Share Fund	60,588	231,811	(73.86)
	President's Challenge	0	0	0
	NCSS Fund	(1,125,955)	(806,984)	39.53
C	Endowment Fund	N/A	N/A	N/A
D	Total Funds	2,168,157	2,267,508	(4.38)
E	Total Annual Operating Expenditure	4,252,413	1,161,083	266.25
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.76	2.45	

Reference:

C. An endowment fund consists of assets, funds or properties that 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 Generating Funds and Governance and Administration costs.

The Company's reserve policy is as follows:

The reserve of the Company provide financial stability and the means for the development of the Company's activities. The Board intends to maintain the reserves at a level sufficient for its operating needs. The Company reviews the level of reserves regularly for the Company's continuing obligations.

26. Management of conflict of interest

During the current and previous financial year, none of the Board Members received any remuneration from the Company.

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

27. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board of Directors on