

**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 2014**

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Fiducia LLP

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

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
T: (65) 6846.8376
F: (65) 6725.8161

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements for the financial year ended 31 December 2014.

Directors

The directors in office at the date of this report are as follows:

Dr. Winslow Rasaiah Munidasa
Desmond Lum Siew Khuen
Lim Yun Chin
Cheang Chin Neo Alias Frances Cheang
Chong Kwang Shih
Lee Wee Song
Andrew John Da Roza

Appointed 01 November 2014

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.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Other matters

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

Auditors

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

On behalf of the directors,



Cheang Chin Neo Alias Frances Cheang
Director



Desmond Lum Siew Khuen
Director

Singapore,

06 MAY 2015

STATEMENT BY DIRECTORS

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 25 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 December 2014, and of the results of financial activities and changes in equity 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.

The Board of Directors authorised these financial statements for issue on

06 MAY 2015

On behalf of the directors,



Cheang Chin Neo Alias Frances Cheang
Director



Desmond Lum Siew Khuen
Director

Singapore,

06 MAY 2015

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

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Independent auditors' report to the members of:

WE CARE COMMUNITY SERVICES LIMITED

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

Report on the Financial Statements

We have audited the financial statements of **WE CARE COMMUNITY SERVICES LIMITED** ("the Company") set out on pages 6 to 25, which comprise the statement of financial position as at 31 December 2014, the statement of financial activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), Singapore Charities Act, Chapter 37 ("the Charities Act") and Charities Accounting Standard, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

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

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

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

Fiducia LLP

Public Accountants and Chartered
Accountants of Singapore

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Singapore 308899.
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(CONT'D)

Independent auditors' report to the members of:

WE CARE COMMUNITY SERVICES LIMITED

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

Opinion

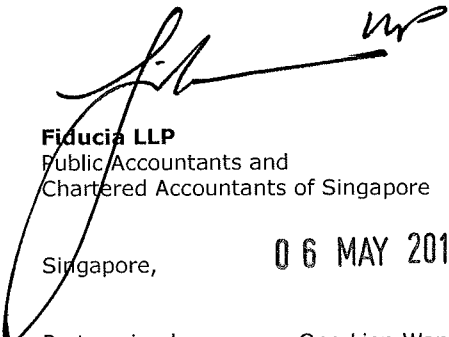
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the Charities Act and Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014, and the results and cash flows of the Company for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

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

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants of Singapore

Singapore,

06 MAY 2015

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

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

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

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

	Note	Unrestricted Fund		Restricted Fund					Grand Total S\$	
		General Fund S\$	Project SAFE S\$	NCSS STEPS S\$	NCSS project USA S\$	SCORE FTRE S\$	Care & Share S\$	TBSSF renovation Fund S\$		Total S\$
2014 EXPENDITURES (Cont'd)										
Governance & other costs										
Audit fee - current year	8	5,450	0	0	0	0	0	0	0	5,450
Bank charges		872	0	0	0	0	0	0	0	872
Depreciation	12	433	0	0	0	0	29,567	82,594	112,161	112,594
General expenses		1,816	808	606	202	606	0	0	2,222	4,038
Insurance		2,256	1,003	752	251	752	0	0	2,758	5,014
IT and website maintenance		2,447	1,088	816	272	816	0	0	2,992	5,439
Licence fees		565	0	0	0	0	0	0	0	565
Library resource		823	0	0	0	0	0	0	0	823
Medical expenses		156	70	53	18	53	0	0	194	350
Office cleaning & maintenance		3,686	1,639	1,229	410	1,229	0	0	4,507	8,193
Office furnishing		3,714	0	0	0	0	0	0	0	3,714
Office refreshments		271	0	0	0	0	0	0	0	271
Postage and courier		178	0	0	0	0	0	0	0	178
Printing and stationery		2,034	904	678	226	678	0	0	2,486	4,520
Professional fees		8,121	143	107	36	107	0	0	393	8,121
Repairs and maintenance		322	0	0	0	0	0	0	0	322
Staff costs	7	116,496	0	0	0	0	0	0	0	116,496
Telecommunication		1,057	469	352	117	352	0	0	1,290	2,347
Transport and travelling		1,825	811	609	203	609	0	0	2,232	4,057
Utilities		4,543	2,020	1,515	505	1,515	0	0	5,555	10,098
		157,065	8,955	6,717	2,240	6,717	29,567	82,594	136,790	293,855
TOTAL EXPENDITURE		252,046	107,777	80,833	26,946	80,833	66,072	82,594	445,055	697,101
Net income/(expenditure)		276,535	(57,557)	(47,865)	(9,735)	(42,833)	107,085	165,158	114,253	390,788
Gross transfers between funds		(124,508)	24,075	47,865	9,735	42,833	0	0	124,508	0
Net movements of funds		152,027	(33,482)	0	0	0	107,085	165,158	238,761	390,788
Total funds brought forward		696,314	33,482	0	0	0	0	0	33,482	729,796
		848,341	0	0	0	0	107,085	165,158	272,243	1,120,584

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	Unrestricted Fund	Restricted Fund				Grand Total
		General Fund	NCSS project SAFE	NCSS project STEPS	NCSS project USBA	SCORE FIRE	
2013 INCOME							
Income from generating fund							
Donations							
- tax deductible	6	65,210	0	0	0	0	65,210
- non tax deductible		216,520	0	0	0	0	216,520
Grants		0	33,482	64,910	20,331	38,000	187,482
Charity Golf	4	174,894	0	0	0	0	174,894
Corporate Events	5	142,908	0	0	0	0	142,908
		599,532	33,482	64,910	20,331	38,000	787,014
Income from charitable activities:							
Counselling fees		11,750	0	0	0	0	11,750
Recovery groups contributions		8,517	0	0	0	0	8,517
Sales of books and merchandise		485	0	0	0	0	485
Training fees		11,334	0	0	0	0	11,334
		32,106	0	0	0	0	32,106
Other income		2,226	0	0	0	0	2,226
TOTAL INCOME		633,864	33,482	64,910	20,331	38,000	821,346
EXPENDITURES							
Cost of charitable activities							
Charity Golf		29,781	0	0	0	0	29,781
Corporate events		6,234	0	0	0	0	6,234
Events/activities expenses		1,060	0	289	97	193	1,928
Honorarium		8,100	0	0	0	0	8,100
Lease of equipment		582	0	159	53	106	1,059
Professional fees		900	0	0	0	0	900
Rental of premises		57,206	0	15,602	5,201	15,602	104,012
Sponsorships and donations		5,000	0	0	0	0	5,000
Staff costs	7	119,743	0	59,324	19,775	59,324	297,716
Training and seminars costs		3,271	0	892	297	892	5,947
Transportation		1,009	0	0	0	0	1,009
Volunteer expenses		600	0	0	0	0	600
		233,486	0	76,266	25,423	76,266	462,286
						50,845	278,800
						30,759	187,482

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

	Note	Unrestricted Fund	Restricted Fund						Grand Total S\$
		General Fund S\$	NCSS project SAFE S\$	NCSS project STEPS S\$	NCSS project USB A S\$	SCORE FIRE S\$	PAL S\$	Total S\$	
2013 EXPENDITURES (Cont'd)									
Governance & other costs									
Audit fee - current year	8	2,500	0	0	0	0	0	0	2,500
Bank charges		177	0	0	0	0	0	0	177
Depreciation	12	1,115	0	0	0	0	0	0	1,115
General expenses		651	0	177	59	177	118	531	1,182
Insurance		2,621	0	714	238	476	476	2,142	4,763
IT and website maintenance		2,160	0	0	155	463	309	927	3,087
Licence fees		1,922	0	0	0	0	0	0	1,922
Medical expenses		488	0	133	44	133	89	399	887
Office cleaning & maintenance		2,721	0	742	247	742	495	2,226	4,947
Office refreshments		577	0	0	0	0	0	0	577
Penalty fee		50	0	0	0	0	0	0	50
Postage and courier		210	0	0	0	0	0	0	210
Printing and stationery		1,828	0	499	166	499	333	1,497	3,325
Professional fees		6,093	0	0	0	0	0	0	6,093
Repairs and maintenance		277	0	76	25	76	50	227	504
Staff costs	7	97,779	0	0	0	0	0	0	97,779
Subscription		125	0	0	0	0	0	0	125
Telecommunication		1,238	0	338	113	338	225	1,014	2,252
Transport and travelling		1,168	0	319	106	319	212	956	2,124
Utilities		4,797	0	1,308	436	1,308	872	3,924	8,721
		<u>128,497</u>	<u>0</u>	<u>4,306</u>	<u>1,589</u>	<u>4,769</u>	<u>3,179</u>	<u>13,843</u>	<u>142,340</u>
TOTAL EXPENDITURE		361,983	0	80,572	27,012	81,035	54,024	242,643	604,626
Net income/(expenditure)		271,881	33,482	(15,662)	(6,681)	(43,035)	(23,265)	(55,161)	216,720
Gross transfers between funds		(88,643)	0	15,662	6,681	43,035	23,265	88,643	0
Net movements of funds		183,238	33,482	0	0	0	0	33,482	216,720
Total funds brought forward		513,076	0	0	0	0	0	0	513,076
		<u>696,314</u>	<u>33,482</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,482</u>	<u>729,796</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and bank balances	10	913,465	620,047
Grant and other receivables	11	<u>25,033</u>	<u>131,264</u>
		938,498	751,311
Non-current assets			
Property, plant and equipment	12	224,322	433
Total assets		<u>1,162,820</u>	<u>751,744</u>
LIABILITIES			
Current liabilities			
Other payables and accruals	13	<u>42,236</u>	<u>21,948</u>
Total liabilities		<u>42,236</u>	<u>21,948</u>
NET ASSETS		<u>1,120,584</u>	<u>729,796</u>
FUNDS			
<u>Unrestricted fund</u>			
General fund		848,341	696,314
Restricted fund	14	<u>272,243</u>	<u>33,482</u>
		<u>1,120,584</u>	<u>729,796</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net income		390,788	216,720
Adjustments for:			
- Depreciation	12	112,594	1,115
- Interest income		(1,806)	0
Operating cash flow before working capital changes		<u>501,576</u>	<u>217,835</u>
Changes in working capital			
- Other receivables		106,543	(105,750)
- Other payables and accruals		<u>20,288</u>	<u>4,275</u>
Net cash provided by operating activities		<u>628,407</u>	<u>116,360</u>
Cash flows from investing activities			
Interest income received		1,494	0
Purchases of property, plant and equipment	12	<u>(336,483)</u>	<u>0</u>
Net cash (used in) investing activities		<u>(334,989)</u>	<u>0</u>
Net increase in cash and cash equivalents		293,418	116,360
Cash and cash equivalents at beginning of financial year		620,047	503,687
Cash and cash equivalents at end of financial year	10	<u>913,465</u>	<u>620,047</u>
Cash and cash equivalents comprise:			
Cash on hand and in transit		25,737	2,898
Cash at bank		486,233	617,149
Fixed deposits		<u>401,495</u>	<u>0</u>
	10	<u>913,465</u>	<u>620,047</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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 2014, the Company has 7 members (2013: 6 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 2012 to 30 September 2015.

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 specialized (gap areas) programmes for treatment of those with mental wellness and addictions issues; example, prevention programmes, school based programmes and programmes for families of those affected by addictions;
- To develop world standard addictions and wellness skills training, education courses and conferences, and
- To enhance understanding of addictions and mental wellness issues.

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Change in basis of accounting

In prior years, the Company prepared its financial statements in accordance with the Singapore Financial Reporting Standards ("FRS"). In the current financial year commencing 1 January 2014, the Company has opted to adopt CAS. The adoption of CAS resulted in the restatement of statement of the financial position and statement of financial activities for the year ended 31 December 2013 of the Company as shown in Note 17.

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.

2.5 Cash and cash equivalents

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

2. Significant accounting policies (Cont'd)

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.

2.10 Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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. Significant accounting policies (Cont'd)

2.12 Employee compensation

a) Defined contribution plans

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

b) Employee leave entitlement

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

2.13 Expenditure

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

a) Classification

Cost of generating funds

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

Cost of charitable activities

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

Governance costs

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

2. Significant accounting policies (Cont'd)

2.13 Expenditure (Cont'd)

b) Allocation of costs

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

- Usage
- On time basis.

2.14 Funds

a) General fund

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

b) Restricted funds

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

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

3. Critical accounting estimates, assumptions and judgments

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

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Allowance for impairment of receivables

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

Estimated useful lives of property, plant and equipment

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

4. Charity golf - donations

	2014 S\$	2013 S\$
Tax exempt donations	0	141,108
Non-tax exempt donations	<u>0</u>	<u>33,786</u>
	<u>0</u>	<u>174,894</u>

5. Corporate events – Donations

	2014 S\$	2013 S\$
Tax exempt donations	0	25,316
Non-tax exempt donations	<u>0</u>	<u>117,592</u>
	<u>0</u>	<u>142,908</u>

6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$341,153 (2013: S\$227,718) pursuant to its Institution of a Public Character (“IPC”) status. They are recorded as follows:

	Note	2014 S\$	2013 S\$
Statement of Financial Activities:			
General fund:			
- Donations		341,153	65,210
- Charity Golf	4	0	141,108
- Corporate events	5	<u>0</u>	<u>21,400</u>
		<u>341,153</u>	<u>227,718</u>

7. Staff costs

Included in the expenses expended are the following staff costs:

	2014 S\$	2013 S\$
CPF and SDF contributions	43,485	37,524
Foreign Worker Levy	2,215	2,244
Salaries and bonus	<u>372,452</u>	<u>355,727</u>
	<u>418,152</u>	<u>395,495</u>
	2014 S\$	2013 S\$
The staff costs were allocated as follows:		
• Costs of charitable activities	301,656	297,716
• Governance and other costs	<u>116,496</u>	<u>97,779</u>
	<u>418,152</u>	<u>395,495</u>

8. Fees for audit of the financial statements

	2014 S\$	2013 S\$
Audit fees for reporting on :		
- Financial statements	2,600	2,500
- Certification of programs	<u>2,850</u>	<u>0</u>
	<u>5,450</u>	<u>2,500</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

	2014 S\$	2013 S\$
Cash at bank, in transit and on hand	511,970	620,047
Fixed deposits with financial institutions	<u>401,495</u>	<u>0</u>
	<u>913,465</u>	<u>620,047</u>

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

11. Grants and other receivables

	2014 S\$	2013 S\$
Accrued interest income	312	0
Deposits	13,069	28,341
Grant receivable	10,814	0
Other receivables	220	102,249
Prepayment	618	674
	25,033	131,264

The above receivables are neither past due nor impaired.

12. Property, plant and equipment

	Computers S\$	Furniture & fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2014					
Cost					
Beginning of financial year	11,871	6,789	15,142	10,082	43,884
Additions	8,805	11,507	7,935	308,236	336,483
Written off	(420)	(4,035)	(13,406)	(10,082)	(27,943)
End of financial year	20,256	14,261	9,671	308,236	352,424
Accumulated depreciation					
Beginning of financial year	11,871	6,789	14,709	10,082	43,451
Depreciation charge	2,935	3,836	3,078	102,745	112,594
Written back	(420)	(4,035)	(13,406)	(10,082)	(27,943)
End of financial year	14,386	6,590	4,381	102,745	128,102
Net book value at end of financial year	5,870	7,671	5,290	205,491	224,322
2013					
Cost					
Beginning of financial year	11,871	6,789	15,142	10,082	43,884
Additions	0	0	0	0	0
End of financial year	11,871	6,789	15,142	10,082	43,884
Accumulated depreciation					
Beginning of financial year	11,871	6,317	14,276	9,872	42,336
Depreciation charge	0	472	433	210	1,115
End of financial year	11,871	6,789	14,709	10,082	43,451
Net book value at end of financial year	0	0	433	0	433

13. Other payables and accruals

	2014 S\$	2013 S\$
Accruals	21,800	5,123
CPF payable	<u>20,436</u>	<u>16,825</u>
	<u>42,236</u>	<u>21,948</u>

14. Restricted funds

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

Restricted funds comprise:

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

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

- b) NCSS project: Solutions to Every Problem Sober Programme ("STEPS")

The Company offers STEPS as an introduction to the 12-Steps principles to halfway house residents. This is a preparatory course supported by NCSS on a yearly renewable basis.

- c) 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.

- d) SCORE: Facilitated In House Recovery Education ("FIRE")

The FIRE Programme is designed by the Company and funded by SCORE primarily for residents within halfway homes across Singapore. The main objective of this programme is to help ex-drug offenders in the transition phase of recovery from drug addiction to a stable lifestyle. Funding is subjected to yearly renewal.

14. Restricted funds (Cont'd)

e) Peers Against ReLapse ("PAL")

In 2013, the PAL programme was an integrated psychosocial treatment programme targeted at youth with substance abuse problem or at risk of becoming dependent on substance. The objectives of the programme are reduction in the levels of depression, anxiety and stress; increase in knowledge on the negative repercussions of addictions and enhance the strength of peer support. There was no funding received for PAL in 2014.

f) 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.

g) Tote Board Social Service Fund: Renovation fund

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 2014	<u>107,085</u>	<u>165,158</u>	<u>272,243</u>
Represented by:			
Cash and bank balances	47,921	(10,814)	37,107
Grant receivables	0	10,814	10,814
Property, plant and equipment	<u>59,164</u>	<u>165,158</u>	<u>224,322</u>
	<u>107,085</u>	<u>165,158</u>	<u>272,243</u>

	NCSS project SAFE S\$	Total S\$
Total restricted funds as at 31 December 2013	<u>33,482</u>	<u>33,482</u>
Represented by:		
Cash and bank balances	<u>33,482</u>	<u>33,482</u>

15. Related party transaction

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

	2014 S\$	2013 S\$
Short-term benefits	<u>179,138</u>	<u>142,997</u>
	No. of key management personnel	No. of key management personnel
Remuneration band (S\$)		
S\$50,000 to S\$100,000	1	2
S\$100,001 to S\$150,000	<u>1</u>	<u>0</u>

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

16. Commitments

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

	2014 S\$	2013 S\$
Within one year	46,885	51,341
Later than one year but not more than five years	<u>15,628</u>	<u>0</u>
	<u>62,513</u>	<u>51,341</u>

17. Comparative figures

The 2013 comparative figures of the Statement of financial position have been reclassified to conform to the classification under CAS.

	As amended S\$	As previously reported S\$
<i>Statement of Financial position</i>		
General fund	696,314	729,796
Restricted fund	<u>33,482</u>	<u>0</u>

17. Comparative figures (Cont'd)

The 2013 comparative figures of the Statement of Financial Activities have been reclassified to conform to the classification under CAS.

	As previously stated		As restated						Total	
	Unrestricted Fund	General Fund	Unrestricted Fund	General Fund	NCSS project SAFE	NCSS project STEPS	NCSS project USBA	SCORE FIRE		PAL
INCOME										
Income from generating fund										
Grants	187,482	0	33,482	64,910	20,331	38,000	30,759	187,482		
	1,928	1,060	0	289	97	289	193	868		
Events/activities expenses	1,059	582	0	159	53	159	106	477		
Lease of equipment	104,012	57,206	0	15,602	5,201	15,602	10,401	46,806		
Rental of premises	297,716	119,743	0	59,324	19,775	59,324	39,550	177,973		
Staff costs	5,947	3,271	0	892	297	892	595	2,676		
Training and seminars costs	410,662	181,862	0	76,266	25,423	76,266	50,845	228,800		
	1,182	651	0	177	59	177	118	531		
General expenses	4,763	2,621	0	714	238	714	476	2,142		
Insurance	3,087	2,160	0	0	155	463	309	927		
IT and website maintenance	887	488	0	133	44	133	89	399		
Medical expenses	4,947	2,721	0	742	247	742	495	2,226		
Office cleaning & maintenance	3,325	1,828	0	499	166	499	333	1,497		
Printing and stationery	504	277	0	76	25	76	50	227		
Repairs and maintenance	2,252	1,238	0	338	113	338	225	1,014		
Telecommunication	2,124	1,168	0	319	106	319	212	956		
Transport and travelling	8,721	4,797	0	1,308	436	1,308	872	3,924		
Utilities	31,792	17,949	0	4,306	1,589	4,769	3,179	13,843		

18. Reserve position and policy

The Company's reserve position for financial year ended 31 December 2014 is as follows:

		2014	2013	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	848	696	22%
B	Restricted or Designated Funds			
	Designated Funds	N/A	N/A	
	Restricted Funds	272	34	700%
C	Endowment Funds	N/A	N/A	
D	Total Funds	1,120	730	53%
E	Total Annual Operating Expenditure	697	605	15%
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.22	1.15	6%

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.

19. Authorisation of financial statements

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