

CENTRE FOR FATHERING LIMITED

[UEN. 200101825N]

[IPC No. IPC000149]

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

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and

Chartered Accountants of Singapore

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

DIRECTORS' STATEMENT

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

In the opinion of the directors,

- a) the financial statements of the Company as set out on pages 7 to 30 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2016, and the financial performance, changes in funds and cash flows of the Company for the financial year covered by the financial statements; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Edwin Choy Tuck Soon
Richard Hoon Thye Woei
Lau Tat Chuan
Tan Cheng Lin Laura (Mrs Laura Hwang Cheng Lin)
Rajsekar Kuppuswami Mitta
Ramlee Bin Buang
Seah Kian Peng
Sipiere Virginia Christine
Wong Seng Yoong
Wong Suen Kwong
Soh Lena
Yo Mae-Yin Mabelin (Mrs Mabelin Yo Anderson) (Appointed on 18.01.2017)
Ong Sim Ho (Appointed on 18.01.2017)

Arrangements to enable directors to acquire shares and/or debentures

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

Other matters

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

DIRECTORS' STATEMENT (CONT'D)

Independent Auditors

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

On behalf of the directors,

Wong Suen Kwong
Director

Edwin Choy Tuck Soon
Director

Singapore,

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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Singapore 408571
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Independent auditor's report to the members of:

CENTRE FOR FATHERING LIMITED

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Centre for Fathering Limited** (the "Company") which comprise the statement of financial position as at 31 December 2016, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the 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 December 2016, and of the financial performance, changes in the funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory 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 set out on pages 2 and 3 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

CENTRE FOR FATHERING LIMITED

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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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

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

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

We communicate with the directors 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, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore,

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
INCOME			
Income from generating funds			
- Voluntary income			
Donations – tax exempt	4	24,560	105,019
Donations – non-tax exempt		2,900	11,502
Grants received		1,451,240	508,208
- Activities from generating funds			
Fund raising activities		84,836	0
Income from charitable activities		37,494	88,570
Other income		28,632	10,035
Total income		<u>1,629,662</u>	<u>723,334</u>
LESS: EXPENDITURES			
Cost of generating funds			
- Cost of fund raising activities		9,177	0
Cost of charitable activities		582,558	373,885
Governance and other administrative costs		283,550	199,226
Total expenditures		<u>875,285</u>	<u>573,111</u>
Net surplus for the year		754,377	150,223
Accumulated funds brought forward		<u>1,941,110</u>	<u>1,790,887</u>
Accumulated funds carried forward		<u>2,695,487</u>	<u>1,941,110</u>

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

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

	Note	Unrestricted Fund	Restricted Funds				Total Funds
		General Fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	President's Challenge S\$	Total S\$	S\$
2016							
INCOME							
<i>Voluntary Income</i>							
Donations							
- Tax exempt	4	24,560	0	0	0	0	24,560
- Non-tax exempt		2,900	0	0	0	0	2,900
Grant received							
- MSF funding		0	1,093,390	231,100	0	1,324,490	1,324,490
- NCSS funding		0	0	0	115,000	115,000	115,000
- MCCY SG 50 fund		11,750	0	0	0	0	11,750
<i>Activities from generating funds</i>							
Fund raising activities							
- Charity Concert 2016		84,836	0	0	0	0	84,836
Total income from generating funds		<u>124,046</u>	<u>1,093,390</u>	<u>231,100</u>	<u>115,000</u>	<u>1,439,490</u>	<u>1,563,536</u>
Income from charitable activities							
Programme fee from rendering talks/camps/workshops		0	0	0	37,494	37,494	37,494
Other income							
Interest income		17,228	0	0	0	0	17,228
Miscellaneous income		11,404	0	0	0	0	11,404
		<u>28,632</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,632</u>
Total income		<u>152,678</u>	<u>1,093,390</u>	<u>231,100</u>	<u>152,494</u>	<u>1,476,984</u>	<u>1,629,662</u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	Restricted Funds				Total Funds
		Unrestricted Fund	Care and Share Matching Grant	Dads For Life	President's Challenge	
		General Fund S\$	Matching Grant S\$	S\$	S\$	Total S\$
2016						
EXPENDITURES						
<u>Cost of generating funds</u>						
Cost of fund raising activities						
- Charity Concert		9,177	0	0	0	9,177
Total cost of generating funds		9,177	0	0	0	9,177
<u>Cost of charitable activities</u>						
Back to school with dad		0	0	0	1,270	1,270
Cost of donations		1,673	0	0	0	1,673
Eat with your family day		0	0	0	295	295
Expendable/Mat/Ext Resources		0	0	0	12,859	12,859
Father-child bonding program		0	0	0	24,728	24,728
MCCY SG 50 Fund - Video expense		11,750	0	0	0	11,750
Merchandising		0	0	0	643	643
Program for expectant fathers		0	0	0	12,561	12,561
Program for fathers in special situation		0	0	0	5,490	5,490
Train the trainer		0	0	0	760	760
Worklife Program		0	0	0	2,960	2,960
Salaries and bonuses		99,757	43,325	111,982	87,343	342,407
Staff CPF		19,629	7,365	16,715	13,376	57,085
Staff welfare		1,960	0	0	0	1,960
Seminar and training		0	9,830	0	0	9,830
Events		0	0	25,808	0	25,808
Media and development cost		0	0	38,012	0	38,012
Others		0	0	11,122	0	11,122
Professional services		0	0	20,000	0	20,000
Transportation		0	0	1,345	0	1,345
Total cost of charitable activities		134,769	60,520	224,984	162,285	582,558

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	Unrestricted Fund		Restricted Funds			Total Funds
		General Fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	President's Challenge S\$	Total S\$	S\$
2016							
EXPENDITURES (CONT'D)							
<u>Governance and other administrative cost</u>							
Accounting fee		6,067	0	6,067	6,067	12,134	18,201
Advertisement and promotion		0	15,908	0	0	15,908	15,908
Audit fee		5,457	0	1,500	0	1,500	6,957
Computer expenses		0	1,375	0	0	1,375	1,375
Depreciation	8	47,950	122,267	0	0	122,267	170,217
Insurance		6,012	0	361	0	361	6,373
Printing and stationery		374	5,623	0	0	5,623	5,997
Professional fee		3,161	0	0	0	0	3,161
Renovation/Upkeep of office		0	481	0	0	481	481
Rental of premises		3,452	0	1,654	0	1,654	5,106
Repair and maintenances		17,884	0	7,664	0	7,664	25,548
SDL		0	0	60	0	60	60
Telecommunications		2,447	0	1,049	0	1,049	3,496
Transportation		2,889	0	0	0	0	2,889
Upkeep of office		7,153	140	3,066	0	3,206	10,359
Utilities		3,882	0	1,762	0	1,762	5,644
Miscellaneous		1,348	430	0	0	430	1,778
Total governance and other administrative cost		108,076	146,224	23,183	6,067	175,474	283,550
Total expenditures		252,022	206,744	248,167	168,352	623,263	875,285
Net (deficit)/surplus		(99,344)	886,646	(17,067)	(15,858)	853,721	754,377
Accumulated funds brought forward		1,532,544	247,287	138,994	22,285	408,566	1,941,110
Accumulated funds carried forward	10	1,433,200	1,133,933	121,927	6,427	1,262,287	2,695,487

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds				Total Funds
		General Fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	President's Challenge S\$	Total S\$	S\$
2015							
INCOME							
<i>Voluntary Income</i>							
Donations							
- Tax exempt	4	105,019	0	0	0	0	105,019
- Non-tax exempt		11,502	0	0	0	0	11,502
Grant received							
- MSF funding		0	228,232	230,000	0	458,232	458,232
- NCSS funding		0	0	0	50,000	50,000	50,000
- Tote board funding – prior year		(24)	0	0	0	0	(24)
Total income from generating funds		<u>116,497</u>	<u>228,232</u>	<u>230,000</u>	<u>50,000</u>	<u>508,232</u>	<u>624,729</u>
Income from charitable activities							
Programme fee from rendering talks/camps/workshops		88,570	0	0	0	0	88,570
Other income							
Interest income		4,773	0	0	0	0	4,773
Miscellaneous income		5,262	0	0	0	0	5,262
		<u>10,035</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,035</u>
Total income		<u><u>215,102</u></u>	<u><u>228,232</u></u>	<u><u>230,000</u></u>	<u><u>50,000</u></u>	<u><u>508,232</u></u>	<u><u>723,334</u></u>

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds				Total Funds
		General Fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	President's Challenge S\$	Total S\$	S\$
2015							
EXPENDITURES							
<u>Cost of charitable activities</u>							
Cost of donations		1,056	0	0	0	0	1,056
Media and development cost		0	0	27,779	0	27,779	27,779
Professional services		0	0	40,000	0	40,000	40,000
Transportation		0	0	2,206	0	2,206	2,206
Others		0	0	2,680	0	2,680	2,680
Father-child bonding program		8,398	0	0	0	0	8,398
Merchandising		626	0	0	0	0	626
Parenting program for fathers		760	0	0	0	0	760
Program for expectant fathers		9,858	0	0	0	0	9,858
Salaries and bonuses		157,604	0	15,676	25,214	40,890	198,494
Staff CPF		25,078	0	2,665	2,501	5,166	30,244
Staff training and seminars		3,883	0	0	0	0	3,883
Staff welfare		2,006	0	0	0	0	2,006
Train the trainer		1,815	0	0	0	0	1,815
Worklife Programs		44,080	0	0	0	0	44,080
Total cost of charitable activities		255,164	0	91,006	27,715	118,721	373,885

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)

	Note	Unrestricted Fund	Restricted Funds				Total Funds
		General Fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	President's Challenge S\$	Total S\$	S\$
2015							
EXPENDITURES (CONT'D)							
<u>Governance and other administrative cost</u>							
Accounting fee		16,582	0	0	0	0	16,582
Audit fee		3,852	0	0	0	0	3,852
Computer expenses		9,854	0	0	0	0	9,854
Depreciation	8	48,569	52,138	0	0	52,138	100,707
Insurance		5,739	0	0	0	0	5,739
Printing and stationery		4,341	0	0	0	0	4,341
Professional fee		998	0	0	0	0	998
Rental of premises		5,106	0	0	0	0	5,106
Repair and maintenances		28,027	0	0	0	0	28,027
Telecommunications		3,095	0	0	0	0	3,095
Transportation		1,402	0	0	0	0	1,402
Upkeep of office		13,493	0	0	0	0	13,493
Utilities		4,117	0	0	0	0	4,117
Miscellaneous		1,913	0	0	0	0	1,913
Total governance and other administrative cost		<u>147,088</u>	<u>52,138</u>	<u>0</u>	<u>0</u>	<u>52,138</u>	<u>199,226</u>
Total expenditures		<u>402,252</u>	<u>52,138</u>	<u>91,006</u>	<u>27,715</u>	<u>170,859</u>	<u>573,111</u>
Net (deficit)/surplus		(187,150)	176,094	138,994	22,285	337,373	150,223
Accumulated funds brought forward		<u>1,719,694</u>	<u>71,193</u>	<u>0</u>	<u>0</u>	<u>71,193</u>	<u>1,790,887</u>
Accumulated funds carried forward	10	<u>1,532,544</u>	<u>247,287</u>	<u>138,994</u>	<u>22,285</u>	<u>408,566</u>	<u>1,941,110</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,610,427	741,224
Trade and other receivables	7	<u>65,846</u>	<u>39,398</u>
		<u>1,676,273</u>	<u>780,622</u>
Non-current assets			
Property, plant and equipment	8	<u>1,081,210</u>	<u>1,239,964</u>
Total assets		<u>2,757,483</u>	<u>2,020,586</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	<u>61,996</u>	<u>79,476</u>
NET ASSETS		<u>2,695,487</u>	<u>1,941,110</u>
Unrestricted fund			
General fund	10	<u>1,433,200</u>	<u>1,532,544</u>
Restricted funds			
Care and Share Matching Grant		1,133,933	247,287
Dads for Life		121,927	138,994
President's Challenge		<u>6,427</u>	<u>22,285</u>
Total restricted funds	10	<u>1,262,287</u>	<u>408,566</u>
TOTAL FUNDS		<u>2,695,487</u>	<u>1,941,110</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Balance at beginning of year S\$	Net Surplus/ (Deficit) S\$	Balance at end of year S\$
2016			
Unrestricted fund			
General fund	1,532,544	(99,344)	1,433,200
Restricted funds			
Care and Share Matching Grant	247,287	886,646	1,133,933
Dads for Life	138,994	(17,067)	121,927
President's Challenge	22,285	(15,858)	6,427
Total Restricted Funds	408,566	853,721	1,262,287
Total Funds	1,941,110	754,377	2,695,487
2015			
Unrestricted fund			
General fund	1,719,694	(187,150)	1,532,544
Restricted funds			
Care and Share Matching Grant	71,193	176,094	247,287
Dads for Life	0	138,994	138,994
President's Challenge	0	22,285	22,285
Total Restricted Funds	71,193	337,373	408,566
Total Funds	1,790,887	150,223	1,941,110

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

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

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net surplus		754,377	150,223
Adjustments for:			
- Depreciation	8	170,217	100,707
- Interest income		<u>(17,228)</u>	<u>(4,773)</u>
Operating cash flow before working capital changes		907,366	246,157
Changes in working capital			
- Trade and other receivables		(16,014)	14,515
- Trade and other payables		<u>(17,480)</u>	<u>(263,180)</u>
Net cash provided by/(used in) operating activities		<u>873,872</u>	<u>(2,508)</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	8	(11,463)	(358,346)
Interest received		<u>6,794</u>	<u>4,773</u>
Net cash (used in) investing activities		<u>(4,669)</u>	<u>(353,573)</u>
Net increase/(decrease) in cash and cash equivalents		869,203	(356,081)
Cash and cash equivalents at beginning of financial year		<u>741,224</u>	<u>1,097,305</u>
Cash and cash equivalents at end of financial year	6	<u>1,610,427</u>	<u>741,224</u>
Cash and cash equivalents comprise:			
Cash at banks		200,203	179,816
Fixed deposits		<u>1,410,224</u>	<u>561,408</u>
	6	<u>1,610,427</u>	<u>741,224</u>

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

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

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is located at 9 Battery Road, 15-01, Straits Trading Building, Singapore 049910. The principal place of business is located at 1 Woodlands Road, #04-03 The Tenney, Singapore 677899.

The principal activities of the Company are to support men in their role as fathers and to strengthen marriage, the foundation of good parenting.

The Company is a charity registered under the Charities Act (Chapter 37) since 19 September 2001 and has been granted Institutions of a Public Character ('IPC') status for the period from 1 July 2015 to 30 June 2017.

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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.

Interpretations and amendments to published standards effective in 2016

On 1 January 2016, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2016 (Cont'd)

New or amended Standards and Interpretations effective after 1 January 2016

The following are the new or amended Standards and Interpretations (issued by Accounting Standards Council up to 04 January 2017) that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
Amendments to: - FRS 7 Statement of cash flows (Disclosure initiative) - FRS 12 Income taxes (Recognition of deferred tax assets for unrealised losses)	1 January 2017
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers Amendments to: - FRS 102 Classification and Measurement of Share-based Payment Transactions - FRS 40 Transfers of Investment Property - FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019

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.

2.2 Income recognition

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

- 2.2.1 Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.
- 2.2.2 Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants, relating to costs are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.
- 2.2.3 Rendering of services refers to talks/ seminars provided by the Company. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

2. Significant accounting policies (Cont'd)

2.2 Income recognition(Cont'd)

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

2.2.5 Other income is recognised when earned.

2.3 Expenditure recognition

All expenditures are 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 Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

2.3.2 Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objectives of the Company. The total costs of charitable expenditure are apportionment of overheads and shared costs.

2.3.3 Governance and other administrative costs include the costs of governance arrangement, which relate 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 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.4.2 Depreciation

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

	Useful lives
Community space	20 years
Computers	3 years
Furniture and fittings	3 years
Renovation	3 years
Office equipment	3 years

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.3 Depreciation (Cont'd)

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the 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.

2.5 Impairment of non-financial assets

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired.

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.

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 years.

A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets in the following categories: 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

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

2.6.2 Derecognition

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. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

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 Measurement

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

2.6.4 Impairment

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.4 Impairment (Cont'd)

The impairment allowance is reduced through income or expenditure in a subsequent period when the amount of impairment loss 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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.8 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 "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. 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.

2.9 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.10 Provisions 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.

2.11 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, approximate their fair values due to their short-term nature.

2.12 Fund structure

Funds balances restricted by outside sources are so indicated and are distinguished from unrestricted funds, if any. Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the Company. For administrative reasons, unrestricted funds may be designated by the directors for use under specific purposes.

2. Significant accounting policies (Cont'd)

2.13 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

2.14 Employee compensation

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 contribution has been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

Employee leave entitlement

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

2.15 Related parties

A related party is defined as follows:

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

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

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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 accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated useful lives of property, plant and equipment

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

Critical judgments in applying the entity's accounting policies

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

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

4. Tax deductible receipts

Tax deductible receipts issued by the Company for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

<u>Statement of financial activities</u>	2016	2015
	S\$	S\$
General fund		
- Donations	<u>24,560</u>	<u>105,019</u>

5. Income tax

The Company is a charity registered under the Charities Act, Chapter 37. Consequently, the income of the Company is exempt from tax under the provisions of Section 13(1) of the Income Tax Act.

6. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash at bank	200,203	179,816
Fixed deposits	1,410,224	561,408
	1,610,427	741,224

Fixed deposits at the reporting date had an average maturity of within 7 months (2015: within 4 months) from that date and had a weighted average effective interest rate of 1.10% to 1.88% (2015: 0.10% to 1.50%) per annum.

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

7. Trade and other receivables

	2016 S\$	2015 S\$
Trade receivables		
- Third parties	328	5,400
Other receivables		
- Deposits	1,297	2,647
- Interest receivables	10,434	0
- Other receivables	1,050	10,800
- Prepayments	52,737	20,551
	65,846	39,398

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

8. Property, plant and equipment

	Community Space S\$	Computers S\$	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
2016						
Cost						
Beginning of financial year	989,032	13,290	12,076	10,638	358,964	1,384,000
Additions	0	0	803	0	10,660	11,463
End of financial year	989,032	13,290	12,879	10,638	369,624	1,395,463
Accumulated depreciation						
Beginning of financial year	57,694	9,417	11,123	8,695	57,107	144,036
Depreciation	49,451	1,488	492	814	117,972	170,217
End of financial year	107,145	10,905	11,615	9,509	175,079	314,253
Net book value at end of financial year	881,887	2,385	1,264	1,129	194,545	1,081,210

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

2015	Community Space S\$	Computers S\$	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost						
Beginning of financial year	989,032	8,792	10,932	8,478	8,420	1,025,654
Additions	0	4,498	1,144	2,160	350,544	358,346
End of financial year	<u>989,032</u>	<u>13,290</u>	<u>12,076</u>	<u>10,638</u>	<u>358,964</u>	<u>1,384,000</u>
Accumulated depreciation						
Beginning of financial year	8,242	7,948	10,932	7,787	8,420	43,329
Depreciation	49,452	1,469	191	908	48,687	100,707
End of financial year	<u>57,694</u>	<u>9,417</u>	<u>11,123</u>	<u>8,695</u>	<u>57,107</u>	<u>144,036</u>
Net book value at end of financial year	<u>931,338</u>	<u>3,873</u>	<u>953</u>	<u>1,943</u>	<u>301,857</u>	<u>1,239,964</u>

9. Trade and other payables

	2016 S\$	2015 S\$
Trade payables		
- Third parties	11,317	4,388
Other payables		
- Accrued expenses	47,879	71,888
- Deposit payable	2,800	3,200
	<u>61,996</u>	<u>79,476</u>

At the reporting date, the carrying amounts of trade and other payables approximated their fair values.

10. Funds

Funds comprise of unrestricted and restricted fund.

- **Unrestricted fund**

This fund represents accumulated surplus and is for the purpose of meeting the operating expenses incurred by the Company.

- **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 purpose 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 company purposes.

10. Funds (cont'd)

Restricted funds comprise:

a. Care and Share Matching Grant

Care and Share Matching Grant 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. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not being approved by MSF.

b. Dads for Life

This fund is established for the purpose to inspire and involve fathers to be good influencers in their children's lives.

c. President's Challenge

This fund is to engage family life educators to develop, promote and conduct the programmes, as well as to employ one programme executive to run the programmes.

Net assets of the restricted funds

	Care and Share Matching Grant S\$	Dads for Life S\$	President's Challenge S\$	Total S\$
Total restricted funds as at 31 December 2016	<u>1,133,933</u>	<u>121,927</u>	<u>6,427</u>	<u>1,262,287</u>
Represented by:				
Cash and bank balances	875,714	121,927	6,427	1,004,068
Property, plant and equipment	<u>258,219</u>	<u>0</u>	<u>0</u>	<u>258,219</u>
	<u>1,133,933</u>	<u>121,927</u>	<u>6,427</u>	<u>1,262,287</u>

Net assets of the restricted funds

	Care and Share Matching Grant S\$	Dads for Life S\$	President's Challenge S\$	Total S\$
Total restricted funds as at 31 December 2015	<u>247,287</u>	<u>138,994</u>	<u>22,285</u>	<u>408,566</u>
Represented by:				
Cash and bank balances	(120,151)	138,994	22,285	41,128
Property, plant and equipment	<u>367,438</u>	<u>0</u>	<u>0</u>	<u>367,438</u>
	<u>247,287</u>	<u>138,994</u>	<u>22,285</u>	<u>408,566</u>

11. Related party relationship and transactions

(i) Related party transactions

During the financial year, the Company had transactions with related parties on terms agreed between the parties as follows:

	2016 S\$	2015 S\$
Trainers' fees for talks/ workshops/ camps/ events	<u>15,450</u>	<u>3,250</u>

(ii) Remuneration of key employees/executives

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

	2016 S\$	2015 S\$
Salaries, allowance and bonuses	37,612	86,060
CPF and SDL contributions	5,596	10,725
	<u>43,208</u>	<u>96,785</u>

There is no employee with emolument above S\$100,000. The remuneration of key management personnel is determined by the Board of Directors.

12. Staff costs

Included in the expenses expended are the following staff costs:

	Unrestricted Fund S\$	Restricted Fund S\$	Total costs S\$
2016			
Salaries and bonuses	99,757	242,650	342,407
CPF and SDL contribution	19,629	37,456	57,085
	<u>119,386</u>	<u>280,106</u>	<u>399,492</u>
2015			
Salaries and bonuses	157,604	40,890	198,494
CPF contribution	25,078	5,166	30,244
	<u>182,682</u>	<u>46,056</u>	<u>228,738</u>

13. Reserve position and policy

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

		2016	2015	Increase (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	1,433	1,532	(6.46)
B	Restricted or Designated Funds			
	Designated funds	0	0	
	Restricted funds	1,262	409	208.56
C	Endowment Funds	N/A	N/A	
D	Total Funds	2,695	1,941	38.85
E	Total Annual Operating Expenditure	252	402	(37.31)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	5.7	3.8	

Reference:

- C. An endowment fund consists of assets, funds or property, which is 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, Cost of Charitable Activities and Governance and Other Administrative Costs.

The Company's Reserve Policy is as follows:

The Company will endeavour to maintain a reserve of three years' operating expenses, to be kept as fixed deposits and cash-on-hand.

14. Financial instruments

	2016 S\$	2015 S\$
Financial assets		
Loans and receivables (including cash and cash equivalents), excluding prepayment	1,623,536	760,071
Financial liabilities		
Trade and other payables	61,996	79,476

15. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the directors of the Company on an informal basis.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a debtor to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company has no significant concentration of credit risk.

15. Financial risk management (Cont'd)

Liquidity risk

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as and when they fall due.

The Company manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the directors to fund the Company's activities.

The table below summarises the profile of the Company's liabilities at the reporting date based on contractual undiscounted payments.

	2016 S\$	2015 S\$
<u>Payable within one year</u>		
<i>Financial assets</i>		
Cash and cash equivalents	1,610,427	741,224
Trade and other receivables (net of prepayments)	<u>13,109</u>	<u>18,847</u>
	1,623,536	760,071
<i>Financial liabilities</i>		
Trade and other payables	<u>(61,996)</u>	<u>(79,476)</u>
	<u>1,561,540</u>	<u>680,595</u>

Interest rate risk

The Company's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximated their fair values.

16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors of the Company on