

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 FINANCIAL YEAR ENDED 31 DECEMBER 2018

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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
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Centre for Fathering Limited (the "Company") for the financial year ended 31 December 2018.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Lawrence Teh Yew Kiat	(Appointed on 01 January 2018)
Tan Cheng Lin Laura (Mrs Laura Hwang Cheng Lin)	
Sipiere Virginia Christine	
Ramlee Bin Buang	
Richard Hoon Thye Woei	
Soh Lena	
Faye Ong Hui-Ming	(Appointed on 01 January 2018)
Muhamad Imaduddin Bin Abd Karim	(Appointed on 01 January 2018)
Nahata Vikas	(Appointed on 13 June 2018)
Lim Song Khiang	(Appointed on 13 June 2018)
Chan Weng Yip	(Appointed on 13 June 2018)
Magnus Keith Yu-Jene	(Appointed on 01 January 2018)
Wong Seng Yoong	
Seah Kian Peng	(Resigned on 01 June 2018)
Rajsekar Kuppuswami Mitta	(Resigned on 01 June 2018)
Ong Sim Ho	(Resigned on 01 January 2019)
Yo Mae-Yin Mabelin	(Resigned on 01 June 2018)

Arrangements to enable directors to acquire benefits

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

Other matters

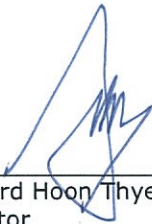
As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

DIRECTORS' STATEMENT (CONT'D)

Independent auditors

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Richard Hoon Thye Woei
Director



Ramlee Bin Buang
Director

Singapore, **13 MAY 2019**

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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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 2018, and the statement of financial activities, statement of changes in funds and statement of cash flows for the 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 2018 and of the financial activities, 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 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

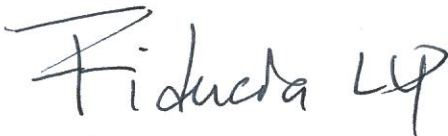
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, 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 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, **13 MAY 2019**

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
		General fund S\$	Care and Share Matching Grant S\$	Community Chest Charity Support fund S\$	Dads For Life S\$	NPTD fund S\$	President's Challenge S\$	Total restricted funds S\$
2018								
INCOME								
Income from generating funds								
Donations								
	6	16,960	0	0	0	0	0	16,960
	6	1,270	0	0	0	0	0	1,270
Grant received								
		0	0	0	101,250	578,000	0	679,250
		0	0	50,000	0	0	0	50,000
Activities from generating funds								
Fund raising activities								
	5	350,471	0	0	0	0	0	350,471
	5	92,530	0	0	0	0	0	92,530
		461,231	0	50,000	101,250	578,000	0	729,250
Income from charitable activities								
	5	61,865	0	0	0	0	0	61,865
Other income								
	5	28,790	0	0	0	0	0	28,790
	5	21,500	0	0	0	0	0	21,500
		50,290	0	0	0	0	0	50,290
Total income		573,386	0	50,000	101,250	578,000	0	729,250
								1,302,636

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

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds	
			Care and Share Matching Grant S\$	Community Chest Charity Support fund S\$	Dads For Life S\$	NPTD fund S\$	President's Challenge S\$	Total restricted funds S\$	Total unrestricted and restricted funds S\$
2018 (CONT'D)									
EXPENDITURE									
		731	2,798	308	0	0	0	3,106	3,837
		25,553	10,271	0	68	5,650	0	15,989	41,542
		0	76	0	0	0	0	76	76
		10,617	710	0	3,370	416,903	0	420,983	431,600
		11,088	1,634	0	1,162	1,206	0	4,002	15,090
		0	33,575	18,000	140	0	0	51,715	51,715
		12,907	5,233	21	2,317	9,937	0	17,508	30,415
7		223,736	145,338	12,350	195,237	12,000	0	364,925	588,661
7		32,787	23,862	2,100	28,901	2,040	0	56,903	89,690
		0	1,550	0	0	0	0	1,550	1,550
		0	0	0	0	66,310	0	66,310	66,310
		0	5,405	0	1,071	30,087	0	36,563	36,563
		360	1,118	150	64	860	0	2,192	2,552
		0	3,167	0	3,441	31,900	0	38,508	38,508
		317,779	234,737	32,929	235,771	576,893	0	1,080,330	1,398,109
Governance and other administrative costs									
		4,334	0	0	0	0	0	0	4,334
		1,154	0	0	0	0	0	0	1,154
		560	1,995	0	0	0	0	1,995	2,555
10		48,250	79,961	0	0	0	0	79,961	128,211
		700	0	0	0	0	0	0	700
		342	418	0	308	0	0	726	1,068
		33	0	0	0	0	0	0	33
		971	12	0	279	116	0	407	1,378
		56,344	82,386	0	587	116	0	83,089	139,433

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

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
			Care and Share Matching Grant S\$	Community Chest Charity Support fund S\$	Dads For Life S\$	NPTD fund S\$	President's Challenge S\$	Total restricted funds S\$
2018 (CONT'D)								
EXPENDITURE (CONT'D)								
Governance and other administrative costs (Cont'd)								
Balance b/f		56,344	82,386	0	587	116	0	83,089
Printing and stationery		5,873	1,168	0	465	96	0	7,602
Professional fee		8,840	0	0	0	0	0	8,840
Rental of premises		5,125	0	0	0	0	0	5,125
Repair and maintenances		3,242	32,145	0	0	0	0	32,145
SDL		415	321	72	427	30	0	850
Telecommunications		4,486	88	0	223	0	0	311
Transportation		1,903	783	70	782	0	0	1,635
Upkeep of office		3,657	191	0	0	0	0	191
Utilities		8,248	0	0	0	0	0	0
Volunteer appreciation expenses		185	57	0	0	0	0	57
Welfare and refreshment		1,179	0	0	0	0	0	0
		99,497	117,139	142	2,484	242	0	120,007
Total expenditure		417,276	351,876	33,071	238,255	577,135	0	1,200,337
Net surplus/(deficit)		156,110	(351,876)	16,929	(137,005)	865	0	(471,087)
Transfer between fund	12	307,368	(329,417)	0	0	0	22,049	(307,368)
Total funds at the beginning of year		1,313,439	1,287,939	0	122,229	38,392	(22,049)	1,426,511
Total funds at the end of year		1,776,917	606,646	16,929	(14,776)	39,257	0	648,056
								2,424,973

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

	Note	Unrestricted fund	Restricted funds			Total restricted funds	Total unrestricted and restricted funds
		S\$	Care and Share Matching Grant S\$	Dads For Life S\$	NPTD fund S\$	S\$	S\$
2017							
INCOME							
Income from generating funds							
Donations							
- Tax exempt	6	20,567	0	0	0	0	20,567
- Non-tax exempt	6	12,281	0	0	0	0	12,281
Grant received - MSF funding		0	637,246	230,000	593,000	1,460,246	1,460,246
Activities from generating funds							
Fund raising activities							
- Charity Concert	5	158,005	0	0	0	0	158,005
		190,853	637,246	230,000	593,000	1,460,246	1,651,099
Income from charitable activities							
Programme fee - talks/camps/workshops	5	35,302	0	0	0	0	35,302
Dads for life events	5	22,870	0	0	0	0	22,870
		58,172	0	0	0	0	58,172
Other income							
Interest income	5	3,514	0	0	0	0	3,514
Miscellaneous income	5	16,467	0	0	0	0	16,467
		19,981	0	0	0	0	19,981
Total income		269,006	637,246	230,000	593,000	1,460,246	1,729,252

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

Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds S\$
	General fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	NPTD fund S\$	President's Challenge S\$	Total restricted funds S\$
2017 (CONT'D)						
EXPENDITURE						
Cost of generating funds	9,583	0	0	0	0	9,583
Cost of fund raising activities	9,583	0	0	0	0	9,583
- Charity Concert						
Cost of charitable activities	0	0	0	551,101	0	551,101
Celebrating fathers programme	796	0	0	0	0	796
Cost of donations	0	16	0	0	0	16
Eat with your family day	0	6,100	0	0	3,200	9,300
Expendable/Mat/Ext Resources	0	19,169	0	0	6,148	25,317
Father-child bonding program	831	0	0	0	0	831
Merchandising	0	13,042	0	1,600	763	15,405
Parenting program for fathers	0	4,916	0	0	1,791	6,707
Program for expectant fathers	0	1,990	0	0	0	1,990
Program for fathers in special situation	0	155	0	0	0	155
Train the trainer	0	151,518	196,372	0	15,403	603,823
Salaries and bonuses	240,530	27,834	30,544	0	1,156	92,226
Staff CPF	32,692	174	227	0	0	1,940
Staff welfare	1,539	1,640	0	0	0	1,640
Seminar and training	0	4,784	0	0	0	4,784
Media and development cost	1,592	38,827	0	0	0	38,827
Outreach activities	0	0	210	0	0	310
Transportation	100	0	0	0	0	210
Website and administrative resources	31	40,744	0	0	0	40,775
	278,111	310,909	227,353	552,701	28,461	1,397,535

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

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds S\$
		General fund S\$	Care and Share Matching Grant S\$	Dads For Life S\$	NPTD fund S\$	President's Challenge S\$	Total restricted funds S\$
2017 (CONT'D)							
EXPENDITURE (CONT'D)							
Governance and other administrative costs							
Audit fee		5,500	0	0	0	0	5,500
Computer expenses		0	1,197	66	0	0	1,263
Depreciation	10	48,354	122,787	0	0	0	171,141
Insurance		10,904	0	833	1,883	0	2,716
Printing and stationery		3,193	224	135	0	0	3,552
Professional fee		7,259	0	0	0	0	7,259
Project costs - SOP development		0	20,000	0	0	0	20,000
Rental of premises		5,113	0	0	0	0	5,113
Repair and maintenances		0	25,245	0	0	0	25,245
SDL		417	359	435	0	15	1,226
Sinking fund		1,122	0	0	0	0	1,122
Telecommunications		3,464	20	20	0	0	3,504
Transportation		1,938	694	796	0	0	3,428
Upkeep of office		4,797	463	0	0	0	5,260
Utilities		7,625	0	0	0	0	7,625
Miscellaneous		896	8	60	24	0	988
Volunteer appreciation expenses		491	1,334	0	0	0	1,825
		101,073	172,331	2,345	1,907	15	277,671
Total expenditure		388,767	483,240	229,698	554,608	28,476	1,684,789
Net (deficit)/surplus		(119,761)	154,006	302	38,392	(28,476)	44,463
Total funds at the beginning of year		1,433,200	1,133,933	121,927	0	6,427	2,695,487
Total funds at the end of year		1,313,439	1,287,939	122,229	38,392	(22,049)	2,739,950

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,470,888	1,892,065
Other receivables	9	221,787	25,498
		<u>1,692,675</u>	<u>1,917,563</u>
Non-current asset			
Property, plant and equipment	10	<u>785,265</u>	<u>913,476</u>
Total assets		<u>2,477,940</u>	<u>2,831,039</u>
LIABILITIES			
Current liabilities			
Other payables	11	<u>52,967</u>	<u>91,089</u>
NET ASSETS		<u>2,424,973</u>	<u>2,739,950</u>
Unrestricted fund			
General fund	12	<u>1,776,917</u>	<u>1,313,439</u>
Restricted funds			
Care and Share Matching Grant		606,646	1,287,939
Community Chest Charity Support Fund		16,929	0
Dads for Life		(14,776)	122,229
National Population and Talent Division Fund		39,257	38,392
President's Challenge		0	(22,049)
	12	<u>648,056</u>	<u>1,426,511</u>
TOTAL FUNDS		<u>2,424,973</u>	<u>2,739,950</u>

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

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

	Balance at beginning of year S\$	Net surplus/ (deficit) for the year S\$	Transfer from/(to) S\$	Balance at end of year S\$
2018				
Unrestricted fund				
General fund	1,313,439	156,110	307,368	1,776,917
Restricted funds				
Care and Share Matching Grant	1,287,939	(351,876)	(329,417)	606,646
Community Chest Charity Support Fund	0	16,929	0	16,929
Dads for Life	122,229	(137,005)	0	(14,776)
National Population and Talent Division	38,392	865	0	39,257
President's Challenge	(22,049)	0	22,049	0
	1,426,511	(471,087)	(307,368)	648,056
Total Funds	2,739,950	(314,977)	0	2,424,973
	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Transfer from/(to) S\$	Balance at end of year S\$
2017				
Unrestricted fund				
General fund	1,433,200	(119,761)	0	1,313,439
Restricted funds				
Care and Share Matching Grant	1,133,933	154,006	0	1,287,939
Dads for Life	121,927	302	0	122,229
National Population and Talent Division	0	38,392	0	38,392
President's Challenge	6,427	(28,476)	0	(22,049)
	1,262,287	164,224	0	1,426,511
Total Funds	2,695,487	44,463	0	2,739,950

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Net (deficit)/surplus for the year		(314,977)	44,463
Adjustments for:			
- Depreciation	10	128,211	171,141
- Interest income		(28,790)	(3,514)
Operating cash flow before working capital changes		(215,556)	212,090
Changes in working capital			
- Other receivables		(200,078)	40,348
- Other payables		(38,122)	29,093
Net cash (used in)/generated from operating activities		(453,756)	281,531
Cash flows from investing activities			
Purchases of property, plant and equipment	10	0	(3,407)
Interest received		32,579	3,514
Net cash generated from investing activities		32,579	107
Net (decrease)/increase in cash and cash equivalents		(421,177)	281,638
Cash and cash equivalents at beginning of financial year		1,892,065	1,610,427
Cash and cash equivalents at end of financial year	8	1,470,888	1,892,065

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

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

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

1. General information

Centre for Fathering Limited (the "Company") is incorporated and domiciled in Singapore. The Company's registered office is located at 1 Coleman Street, #05-05 The Adelphi, Singapore 179803. The principal place of business is located at 1 Woodlands Road, #04-03 The Tannery, 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 company limited by guarantee. The Company was incorporated in 17 March 2001 and was registered as a charity on 19 September 2001. The Company has been accorded an Institutions of a Public Character ("IPC") status from 1 April 2019 to 30 September 2021.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.1.1 Interpretations and amendments to published standards effective in 2018

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 January 2018. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had not material effect on the amounts requested for the current or prior financial years.

FRS 115 Revenue from contracts with customers

The Company had adopted the new standard on the required effective date using the full retrospective method and apply all the practical expenditures available for full retrospective approach under FRS 115.

The accounting policies for revenue from contracts with customers under FRS 115 are disclosed in Note 2.2. The Company's main source of revenue is from donation and grants. The adoption of the standard did not have any material effect on the financial statements as there are no multiple performance obligation in generating income and income was received upon receipt and service rendered.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2018 (Cont'd)

FRS 109 Financial instruments – Impairment of financial assets

The Company has adopted FRS 109 which is effective for annual periods beginning on or after 1 January 2018 for the following financial assets:

- Cash and bank deposits
- Fixed deposits
- Other receivables

The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. There is no adjustment made to opening balance of retained earnings of the annual reporting period that includes the date of initial application (i.e. 1 January 2018). Hence, there is no restatement made to the comparative information in the statement of financial position.

2.1.2 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

FRS 116 Leases

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

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

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

2.2 Income recognition

Income is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Company satisfies a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations

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 Government Grants

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 – talks and seminars

Income from the rendering of services is recognised when the services have been performed and rendered.

2.2.4 Interest income

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

2.2.5 Other income

Other income is recognised upon receipt of income.

2.3 Expenditure recognition

All expenditure 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 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities.

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition (Cont'd)

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Company.

2.3.3 Governance and administrative costs

Governance costs include the cost of governance arrangement, which are related to the general running of the Company, providing governance infrastructure and ensuring public accountability.

2.4 Financial assets

2.4.1 The accounting for financial assets before 1 January 2018 under FRS 39 are as follows:

Loans and receivables

Cash and cash equivalents
Other receivables

Cash and cash equivalents and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using effective interest method, less accumulated impairment losses.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are 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

2.4.2 The accounting for financial assets from 1 January 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

2. Significant accounting policies (Cont'd)

2.4 Financial assets (Cont'd)

2.4.2 The accounting for financial assets from 1 January 2018 under FRS 109 are as follows: (Cont'd)

At initial recognition

At initial recognition, the Company measures a financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.5 Property, plant and equipment

2.5.1 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. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation

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

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

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

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

2.5.3 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.

2.5.4 Disposal

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

2.6 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) 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, the 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 is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

2. Significant accounting policies (Cont'd)

2.6 Impairment of non-financial assets (Cont'd)

An impairment loss for an asset is reversed only 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 this 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 accumulated 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.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions that are subject to an insignificant risk of changes 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 "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 or 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 Other payables

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

2.10 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 Funds

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

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

2. Significant accounting policies (Cont'd)

2.12 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.

2.13 Employee compensation

2.13.1 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.

2.13.2 Employee leaves 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 reporting date.

2.14 Contingencies

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

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting 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.

3. Significant accounting judgements and estimates (Cont'd)

3.1 Judgements made in applying accounting policies (Cont'd)

Government grants

Government grants to meet operating expenses are recognised as income in statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

3.2 Key sources of estimation uncertainty

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

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. The carrying amount of property, plant and equipment and the depreciation charge for the financial year is disclosed in Note 10.

4. Income tax

The Company is a registered charity under the Charities Act, Chapter 37 since 19 September 2001. Consequently, the income of the Company is exempted from tax under the provisions of Section 13(1) of the Income Tax Act.

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	2018 S\$	2017 S\$
Revenue from:		
Donation		
- Tax exempt	16,960	20,567
- Non-tax exempt	1,270	12,281
Fund raising events		
- Charity golf	350,471	0
- Charity concert	92,530	158,005
	443,001	158,005
Event and activities	61,865	58,172
Other income	50,290	19,981
	<u>573,386</u>	<u>269,006</u>

All the revenues are recognised at a point in time.

6. Donation

	Note	2018 S\$	2017 S\$
Tax exempt donations		246,009	173,152
Non-tax exempt donations		215,222	17,701
		<u>461,231</u>	<u>190,853</u>

The donations were allocated as follows:

• Donation – non-tax exempt		1,270	12,281
• Donation – tax exempt		16,960	20,567
• Fund raising	5	443,001	158,005
		<u>461,231</u>	<u>190,853</u>

The Company issued tax-deductible receipts for donations totaling S\$240,490 (2017: S\$173,152) pursuant to its Institution of a Public Character (“IPC”) status.

7. Staff costs

	2018 S\$	2017 S\$
Staff salaries and bonuses	588,661	603,823
Employer’s contributions to CPF	89,690	92,226
	<u>678,351</u>	<u>696,049</u>

8. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	338	213
Cash at bank	106,339	356,124
Fixed deposits	1,364,211	1,535,728
	<u>1,470,888</u>	<u>1,892,065</u>

The fixed deposits matured within 1 to 11 months (2017: 2 to 11 months) from the financial year end and earn interest at rate of 1.24% to 1.89% (2017: 1.20% to 1.88%) per annum.

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

9. Other receivables

	2018 S\$	2017 S\$
Fee receivables	1,360	2,070
Deposits	1,637	2,287
Grant receivables	201,250	0
Interest receivables	6,645	10,434
Other receivables	3,860	1,012
Prepayments	7,035	9,695
	<u>221,787</u>	<u>25,498</u>

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

10. Property, plant and equipment

	Community Space S\$	Computers	Furniture and fittings S\$	Office equipment S\$	Renovation S\$	Total S\$
Cost						
At 1 January 2017	989,032	13,290	12,879	10,638	369,624	1,395,463
Additions	0	0	2,268	1,139	0	3,407
At 31 December 2017	989,032	13,290	15,147	11,777	369,624	1,398,870
Additions	0	0	0	0	0	0
At 31 December 2018	989,032	13,290	15,147	11,777	369,624	1,398,870
Accumulated depreciation						
At 1 January 2017	107,145	10,905	11,615	9,509	175,079	314,253
Additions	49,452	1,499	964	878	118,348	171,141
At 31 December 2017	156,597	12,404	12,579	10,387	293,427	485,394
Additions	49,452	875	1,262	800	75,822	128,211
At 31 December 2018	206,049	13,279	13,841	11,187	369,249	613,605
Carrying amount						
31 December 2017	<u>832,435</u>	<u>886</u>	<u>2,568</u>	<u>1,390</u>	<u>76,197</u>	<u>913,476</u>
31 December 2018	<u>782,983</u>	<u>11</u>	<u>1,306</u>	<u>590</u>	<u>375</u>	<u>785,265</u>

11. Other payables

	2018 S\$	2017 S\$
Other payables	0	14,756
Accrued expenses	52,967	73,433
Deposit payable	0	2,900
	<u>52,967</u>	<u>91,089</u>

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

12. Funds

Funds comprise of unrestricted and restricted funds.

12.1 Unrestricted fund

General fund

General fund are expendable at the discretion of the Board of Directors for the achieving of the Company's overall objectives.

12.2 Restricted funds

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 approved by MSF.

During the current year, the Board has transferred expenditure of S\$329,417 from General Fund to Care and Share Matching Grant. The expenditure was incurred for Care and Share Matching Grant under Critical Existing Needs from year ended 2013 to year end 2017.

b. Community Chest Charity Support Fund

This fund is to run ICAN (Involvement-Consistency-Awareness-Nurturance) workshops for incarcerated father in Prisons and Drug Rehabilitation Centre so they are better prepared to integrate back with their families, including training for ICAN for staff Vulnerable Children's Home/halfway houses/orphanages.

c. Dads for Life

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

d. National Population and Talent Division Fund

The grant from National Population and Talent Division ("NPTD") is meant to support Centre for Fathering in driving the national Celebrating Fathers campaign, which comprises campaign conceptualisation, media placements, event management, publicity collateral, national event "Dad's Day Out", goodie bags with Fathering tools/resources, media branding spots on Celebrating Fathers and social media campaigns to drive publicity for the event, to educate audience and impart key messages. It covers the management of a campaign microsite, includes creative conceptualisation and design setup, remapping of URLs, development of site, design integration and implementation, webhosting, content management and traffic reporting. Finally, it also covers the management of social media, which encompasses a monthly editorial calendar, manage content creation, community management, monthly/annual reporting, social media strategy and execution to drive traffic to webpage and FB media.

12. Funds (Cont'd)

12.2 Restricted funds (Cont'd)

e. 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.

This programme ended in FY 2017 and the Board have approved to transfer the general fund to restricted fund – President's Challenge fund to support the deficit balance under the President's Challenge fund.

13. Related party transactions

(a) Related party transactions and balances

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

At the reporting date, none of the directors received any remuneration from the company.

(b) Compensation of key management personnel

The remuneration of the key management personnel compensation for the financial year is as follows:

	2018 S\$	2017 S\$
Salaries, allowance and bonuses	244,803	121,800
CPF and SDL contributions	30,254	16,218
	<u>275,057</u>	<u>138,018</u>
Remuneration band	No. of key management personnel	No. of key management personnel
- S\$100,001 to S\$150,000	1	1
- S\$100,000 and below	<u>2</u>	<u>0</u>

14. Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised costs are as follows:

	2018 S\$
Financial assets, at amortised cost	1,685,640
Financial liabilities, at amortised cost	<u>52,967</u>
	2017 S\$
Loans and receivables	1,907,868
Financial liabilities, at amortised cost	<u>91,089</u>

15. Financial risk management

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

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

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.

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.

Liquidity risk

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

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

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

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2018			
Financial assets			
Cash and cash equivalents	1,470,888	0	1,470,888
Other receivables (excluding prepayment)	214,752	0	214,752
	<u>1,685,640</u>	<u>0</u>	<u>1,685,640</u>
Financial liabilities			
Other payables	(52,967)	0	(52,967)
Net financial assets	<u>1,632,673</u>	<u>0</u>	<u>1,632,673</u>
2017			
Financial assets			
Cash and cash equivalents	1,892,065	0	1,892,065
Other receivables (excluding prepayment)	15,803	0	15,803
	<u>1,907,868</u>	<u>0</u>	<u>1,907,868</u>
Financial liabilities			
Other payables	(91,089)	0	(91,089)
Net financial assets	<u>1,816,779</u>	<u>0</u>	<u>1,816,779</u>

16. Fair values

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

17. Reserve position and policy

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

		2018	2017	Increase (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	1,777	1,313	35.34
B	Restricted or Designated Funds			
	Designated funds	0	0	N/A
	Restricted funds	648	1,427	(54.59)
C	Endowment Funds	0	0	N/A
D	Total Funds	2,425	2,740	(11.50)
E	Total Annual Operating Expenditure	1,618	1,685	(3.98)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.10	0.78	

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.

The Company's reserve policy remains unchanged from previous years.

18. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on **13 MAY 2019**