

BLOSSOM SEEDS LIMITED

[UEN. 201304904N]

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

DIRECTORS' STATEMENT

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

In the opinion of the directors,

- a) the financial statements of the Company 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:

Aw Cheow Thiam	
Cheng Yau Tong	(Resigned on 29 May 2018)
Chua Mui Kiang	(Appointed on 10 April 2018)
John Zaw Min	
Lee Chin Chye	(Appointed on 5 September 2018)
Leong Soon San	
Ng Kim Leng Julie	(Resigned on 10 April 2018)
Ong Siew Chin	(Resigned on 29 May 2018)
Pua Hwee Leng	
Tan Chiew Hoon	
Wong Yee Chee	
Yang Pei Pei	(Resigned on 15 November 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)

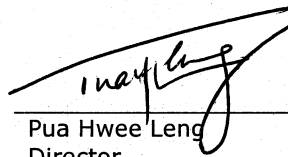
Independent auditor

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

On behalf of the Board of Directors,



Aw Cheow Thiam
Director



Pua Hwee Leng
Director

Singapore, 25 JUN 2019

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Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Blossom Seeds 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 of the Company 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 Charities Accounting Standard ("CAS") 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 fund and cash flows of the Company for the 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.

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(CONT'D)

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Other Information (Cont'd)

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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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Independent auditor's report to the members of:

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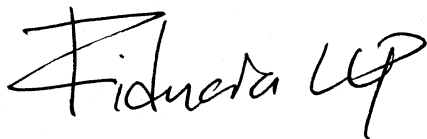
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Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the 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 use of the donation moneys in accordance with the 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, **25 JUN 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 fund and restricted funds S\$
			Home Help Fund S\$	Blossom Kaki (Senior Volunteerism) Programme Fund S\$	Active Ageing Programme S\$	Community Befriending Programme S\$	
2018							
INCOME							
Income from generating funds							
Voluntary income							
Donations	5	78,002	81,807	0	0	0	159,809
Activities from charitable activities							
Fund raising events	5	504,612	0	0	0	0	504,612
Events and activities	5	46,450	0	0	0	0	46,450
		551,062	0	0	0	0	551,062
Income from charitable activities							
Grant from C3A for Blossom Kaki (Senior Volunteerism) Programme		0	0	53,359	0	0	53,359
Community Befriending Program		0	0	0	29,168	0	29,168
Medical Escort & Transport subvention from AIC		0	25,529	0	0	0	25,529
Grant from NCSS		2,356	0	0	0	0	2,356
		2,356	25,529	53,359	29,168	0	110,412
Other income							
Miscellaneous income	6	1,991	0	0	0	0	1,991
Total income		633,411	107,336	53,359	29,168	0	823,274

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

Note	Unrestricted Fund	Restricted Funds				Total unrestricted fund and restricted funds S\$
		General Fund S\$	Home Help Fund S\$	Blossom Kaki (Senior Volunteerism) Programme Fund S\$	Active Ageing Programme S\$	
	132,687	0	0	0	0	132,687
	30,195	0	0	0	0	30,195
	162,882	0	0	0	0	162,882
2018 (CONT'D)						
EXPENDITURE						
Cost of generating funds						
Fund raising expenses	310	0	0	0	0	310
Event expenses	0	848	150	430	0	1,428
	11,857	15,086	3,276	7,403	0	28,200
	3,856	165	1,641	277	2,435	2,083
	740	180	0	144	0	324
	607	2,744	433	0	0	3,784
	3,159	33	179	0	60	3,431
	2,180	1,020	400	600	0	2,020
	29,088	1,257	4,034	910	2,247	8,448
	1,760	1,079	1,459	499	0	3,037
	90,417	103,506	36,400	43,542	14,600	198,048
	296	1,060	71	71	71	1,273
	26	8,044	2,949	199	1,847	13,065
	0	3,276	811	0	50	4,137
	3,170	2,756	8,988	250	0	11,994
	0	0	6,420	0	0	6,420
	1,483	0	5,300	0	0	6,783
	0	2,471	0	0	0	2,471
	148,949	143,525	72,511	54,325	21,310	291,671
						440,620
Cost of charitable activities						
Cleaning supplies	310	0	0	0	0	310
Consultant/trainers/speakers	0	848	150	430	0	1,428
Employer's contribution to CPF	11,857	15,086	3,276	7,403	0	28,200
Facility supplies	3,856	165	1,641	277	2,435	2,083
Gift and goodie bags	740	180	0	144	0	324
Insurance	607	2,744	433	0	0	3,784
Printing and stationery	3,159	33	179	0	60	3,431
Professional fee	2,180	1,020	400	600	0	2,020
Promotional material	29,088	1,257	4,034	910	2,247	8,448
Refreshments	1,760	1,079	1,459	499	0	3,037
Staff salaries and bonuses	90,417	103,506	36,400	43,542	14,600	198,048
Staff benefits	296	1,060	71	71	71	1,273
Transport costs	26	8,044	2,949	199	1,847	13,065
Telecommunication costs	0	3,276	811	0	50	4,137
Training fee	3,170	2,756	8,988	250	0	11,994
Uniform	0	0	6,420	0	0	6,420
Utilities	1,483	0	5,300	0	0	6,783
Vehicle upkeep	0	2,471	0	0	0	2,471

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

	Note	Unrestricted Fund	Restricted Funds				Total unrestricted fund and restricted funds S\$
			General Fund S\$	Home Help Fund S\$	Blossom Kaki (Senior Volunteerism) Programme Fund S\$	Active Ageing Programme S\$	
2018 (CONT'D)							
EXPENDITURE (CONT'D)							
Governance and other administrative costs							
Audit fee – current year		5,350	0	0	0	0	5,350
Audit fee – prior year		15	0	0	0	0	15
Bank charges		332	0	0	0	0	332
Depreciation	10	2,336	0	0	0	0	2,336
Premises rental	7	20,064	0	0	0	0	20,064
		28,097	0	0	0	0	28,097
Total expenditure		339,928	143,525	72,511	54,325	21,310	291,671
NET INCOME/(EXPENDITURE) FOR THE YEAR		293,483	(36,189)	(19,152)	(54,325)	7,858	191,675
TOTAL FUNDS BROUGHT FORWARD		391,036	0	0	0	0	391,036
TOTAL FUNDS CARRIED FORWARD		684,519	(36,189)	(19,152)	(54,325)	7,858	582,711

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

	Note	Unrestricted fund General fund S\$
2017		
INCOME		
Income from generated funds		
<u>Voluntary income</u>		
Donations	5	18,164
<u>Activities for generating funds</u>		
Fund raising events	5	391,838
Events and activities	5	113,646
		<u>505,484</u>
Income from charitable activities		
Grant from C3A for Blossom Kaki (Senior Volunteerism) Programme		11,851
Other income		
Miscellaneous income	6	768
TOTAL INCOME		<u>536,267</u>
LESS: EXPENDITURE		
Cost of generating funds		
Fund raising expenses		100,102
Event expenses		92,624
		<u>192,726</u>
Cost of charitable activities		
Employer's contribution to CPF		29,268
Staff salaries and bonuses		65,884
Insurance		910
Staff benefits		117
Transport costs		2,308
Telecommunication costs		1,262
Refreshments		252
Training fee		75
Uniform		6,783
Utilities	7	1,800
		<u>108,659</u>
Governance and administrative costs		
Audit fee - current year		4,000
Audit fee - prior year		860
Bank charges		150
General expenses		328
Printing and stationery		993
Professional fees		17,614
		<u>23,945</u>
TOTAL EXPENDITURE		<u>325,330</u>
NET INCOME FOR THE YEAR		<u>210,937</u>
TOTAL FUND BROUGHT FORWARD		<u>180,099</u>
TOTAL FUND CARRIED FORWARD		<u>391,036</u>

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	326,041	357,878
Other receivables	9	144,318	51,621
		<u>470,359</u>	<u>409,499</u>
Non-current asset			
Plant and equipment	10	169,350	0
		<u>169,350</u>	<u>0</u>
Total assets		<u>639,709</u>	<u>409,499</u>
LIABILITIES			
Current liabilities			
Other payables	11	56,998	18,463
Total liabilities		<u>56,998</u>	<u>18,463</u>
NET ASSETS		<u>582,711</u>	<u>391,036</u>
FUNDS			
Unrestricted fund			
General fund	12	684,519	391,036
Restricted funds			
Home Help Fund	12	(36,189)	0
Blossom Kaki (Senior Volunteerism) Programme Fund	12	(19,152)	0
Active Ageing Programme	12	(54,325)	0
Community Befriending Programme	12	7,858	0
		<u>(101,808)</u>	<u>0</u>
TOTAL FUNDS		<u>582,711</u>	<u>391,036</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 income for the year S\$	Balance at end of year S\$
2018			
Unrestricted fund			
General fund	391,036	293,483	684,519
Restricted funds			
Home Help Fund	0	(36,189)	(36,189)
Blossom Kaki (Senior Volunteerism) Programme Fund	0	(19,152)	(19,152)
Active Ageing Programme Community Befriending Programme	0	(54,325)	(54,325)
		7,858	7,858
	0	(101,808)	(101,808)
Total funds	391,036	191,675	582,711
	Balance at beginning of year S\$	Net income for the year S\$	Balance at end of year S\$
2017			
Unrestricted fund			
General fund	180,099	210,937	391,036
Total fund	180,099	210,937	391,036

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 income for the year		191,675	210,937
Adjustment for:			
- Depreciation	10	2,336	0
Operating cash flow before working capital changes		194,011	210,937
Changes in operating assets and liabilities			
- Other receivables		(92,697)	(46,516)
- Other payables		38,535	(8,688)
Net cash generated from operating activities		<u>139,849</u>	<u>155,733</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	10	(171,686)	0
Net cash used in investing activity		<u>(171,686)</u>	<u>0</u>
Net (decrease)/increase in cash and cash equivalents		(31,837)	155,733
Cash and cash equivalents at beginning of financial year		<u>357,878</u>	<u>202,145</u>
Cash and cash equivalents at end of financial year	8	<u>326,041</u>	<u>357,878</u>

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

Blossom Seeds Limited (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at 105 Canberra Street, #02-01 Singapore 750105.

The Company is a company limited by guarantee. The Company was registered as a charity under the Charities Act, Chapter 37 on 4 April 2016. The Company has been accorded an Institutions of a Public Character ("IPC") status until 31 January 2019. The Company has renewed its IPC status from 1 February 2019 to 31 January 2022.

The principal activities of the Company are those of charitable and other supporting activities aimed at humanitarian work.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and 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 Dollars ("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.

On 1 January 2018, the Company has adopted the CAS. These financial statements are the company's first financial statements prepared in accordance with the CAS. The financial statements for previous year had been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"). The adoption of CAS does not have any impact on prior year financial statements and no restatement necessary.

The CAS was issued by Accounting Standards Council (ASC) to set out the basis for preparing and presenting financial statements for Charity. It is applicable to financial reporting years beginning on or after 1 July 2011. The definition and accounting treatments presented in the CAS are developed based on the requirement of FRS taking into account the context and circumstances relevant to Charity.

2.2 Income recognition

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

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

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

The recognition of a promised grant is evidence of entitlement which normally exists when the grant is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria or certainty and measurability are met. When conditions are attached, they must be fulfilled before the Company has unconditional entitlement to the income. Income is deferred as a liability where uncertainty exists as to whether the Company can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

2.2.3 Income from events

Income from events is recognised upon completion of event.

2.2.4 Other income

Other income is recognised when received.

2.3 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds

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

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Company and an apportionment of overhead and shared costs.

2.3.3 Governance and administrative costs

Governance and 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. Significant accounting policies (Cont'd)

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

	Useful lives
Renovation	3 years
Office equipment	3 years

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.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repairs 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 disposal proceeds and its carrying amount is taken to the statement of financial activities.

2.5 Financial assets

2.5.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

2. Significant accounting policies (Cont'd)

2.5 Financial assets (Cont'd)

2.5.1 Recognition and measurement (Cont'd)

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.5.2 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.

2.5.3 Impairment

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

An allowance for impairment of other receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and other administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in values.

2.7 Other receivables

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

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" on the statement of financial position.

2. Significant accounting policies (Cont'd)

2.8 Financial liabilities (Cont'd)

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. 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 Operating leases as lessee

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.

2.12 Employee compensation

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

2.12.2 Short-term employee benefits

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

2. Significant accounting policies (Cont'd)

2.13 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.

2.14 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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Government grants

Government grants to meet operating expenses are recognised as income in the 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 date are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

3.2 Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment

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

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

The carrying value of property, plant and equipment as of 31 December 2018 and 2017 are disclosed in Note 10 of the Financial Statements.

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

4. Income tax

The Company is a charity registered under the Charities Act since 4 April 2016. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134. No provision for taxation is made for surplus after this date.

5. Donations

	2018 S\$	2017 S\$
Tax deductible donations	355,222	91,645
Non-tax deductible donations	355,649	432,003
	<u>710,871</u>	<u>523,648</u>

The donations were allocated as follows:

• Donation	159,809	18,164
• Fund raising events	504,612	391,838
• Events and activities	46,450	113,646
	<u>710,871</u>	<u>523,648</u>

The Company issued tax-exempt receipts for donations collected amounting to S\$355,222 (2017: S\$91,645).

6. Other income

	2018 S\$	2017 S\$
Special employment credit	1,513	508
Temporary employment credit	197	260
Wages credit scheme	281	0
	<u>1,991</u>	<u>768</u>

7. Utilities and premises rental

BW Monastery has offered the Company free use of its premises facilities as office and for training purposes located at 12 Aljunied Road, #03-00 KH Plaza @ Aljunied, Singapore 389801. During the financial year, the Company paid nominal amount of S\$3,000 (2017: S\$2,300) to BW Monastery to defray the utilities charges for the use of the facilities offered by BW Monastery.

The Company have moved the office to 105 Canberra Street, #02-01 Singapore 750105 with effect from 13 September 2018.

8. Cash and cash equivalents

	2018 S\$	2017 S\$
Cash on hand	982	217
Cash at banks	<u>325,059</u>	<u>357,661</u>
	<u>326,041</u>	<u>357,878</u>

9. Other receivables

	2018 S\$	2017 S\$
Deposit	5,113	0
Prepayment	10,700	0
Other receivables	<u>128,505</u>	<u>51,621</u>
	<u>144,318</u>	<u>51,621</u>

10. Plant and equipment

	Office equipment S\$	Renovation S\$	Total S\$
Cost			
At 1 January 2017 and 31 December 2017	0	0	0
Additions	12,314	159,372	171,686
At 31 December 2018	12,314	159,372	171,686
Accumulated depreciation			
At 1 January 2017 and 31 December 2017	0	0	0
Additions	2,336	0	2,336
At 31 December 2018	2,336	0	2,336
Carrying amount			
31 December 2017	0	0	0
31 December 2018	9,978	159,372	169,350

11. Other payables

	2018 S\$	2017 S\$
Advance receipts	0	4,480
Accruals	56,998	13,983
	<u>56,998</u>	<u>18,463</u>

12. Funds

12.1 Unrestricted funds

General Fund

General fund are expendable at the discretion of the Board of Directors for the achieving of their overall objectives.

12.2 Restricted funds

Home Help Fund

To provide services such as medical escort & transport, befriending, grocery assistant and house cleaning so that they live and age well at home and in the community.

Blossom Kaki (Senior Volunteerism) Programme Fund

To engage seniors for active ageing by volunteering in our events and serving the needy elderly.

Active Ageing Programme

Programmes to empower seniors in different areas of health including physical, social and cultural, emotional and financial health, so that they seniors can stay healthy and happy.

12. Funds (Cont'd)

12.2 Restricted funds (Cont'd)

Community Befriending Programme

Befriending programme that befriends seniors that are living alone, frail and at high risk of social isolation.

13. Related party transactions

(a) Related party transactions and balances

	2018 S\$	2017 S\$
Professional fee paid to a director	<u>0</u>	<u>10,000</u>

Professional fee was paid to NIL (2017: 1) director during the financial year. No fee or any form of remuneration were paid to the other directors for the financial years ended 31 December 2018 and 31 December 2017.

(b) Compensation of key management personnel

Number of key management personnel whose remuneration was in the S\$100,000 band and above is Nil (2017: Nil).

14. Number of employees

The number of employees in the Company at the end of the reporting date was 12 (2017: 5). As disclosed in the statement of financial activities, total staff costs as at year-end amounted to S\$328,612 (2017: S\$95,152).

15. Commitments

15.1 Operating lease commitments

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

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

	2018 S\$	2017 S\$
Not later than one year	48,153	0
More than a year but not more than five years	<u>76,242</u>	<u>0</u>
	<u>124,395</u>	<u>0</u>

15. Commitments (Cont'd)

15.2 Capital commitment

At the reporting date, the Company has capital commitments in respect to purchase of motor vehicles, are as follow:

	2018 S\$	2017 S\$
Commitments for the acquisition of Motor vehicles	107,900	0
Recorded as prepayments	<u>(10,700)</u>	<u>0</u>
	<u>97,200</u>	<u>0</u>

16. Reserves position and policy

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

	2018	2017	Increase / (Decrease)
	S\$'000	S\$'000	%
A Unrestricted Fund			
General fund	685	391	75%
B Restricted / Designated Funds	(102)	0	N.A
C Endowment Fund	0	0	N.A
D Total Funds	583	391	49%
E Total Annual Operating Expenditure	632	325	(94%)
F Ratio of Reserves to Annual Operating Expenditure (A/E)	1.08	1.20	

Reference:

- C. Endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for an entity 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 Administration Costs.

The Company's Reserve Policy is as follows:

- a) The reserves of the Company provide financial stability and the means for the development of the Company's activities.
- b) The Board intends to maintain reserves five times of the Company's operating needs.
- c) The Company reviews the level of reserves regularly for the Company's continuing obligations.

17. Fund raising expenses

	2018 S\$	2017 S\$
Gross donations	504,612	391,838
Direct cost of fund raising expenses	<u>132,687</u>	<u>100,102</u>
Percentage of direct fund raising expenses over gross donation	<u>26.3%</u>	<u>25.5%</u>

18. Management of conflict of interest

There is no paid staff on the Company's Board of Directors.

Board members are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Board members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

19. 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 on **25 JUN 2019**