

RESTROOM ASSOCIATION (SINGAPORE)

Annual Report for Year Ended 31 March 2016

Restroom Association (Singapore) or RAS was set up on 8 December 1998 as a society. It was registered as a charity under the Charities Act on 9 January 2004.

Unique Entity Number (UEN) S98SS01697J

Registered Address Block 2 Balestier Road
#03-679
Singapore 320002

Management Committee The Management Committee was elected at the Annual General Meeting held on 25 September 2014

1) Ms Tan Puay Hoon	President
2) Mr Colin See Kim Leng	Honorary Secretary
3) Mr Ho Chee Kit	Honorary Treasurer
4) Mr Jack Sim Juek Wah	Committee Member
5) Mr Himanshu Vaishampayan	Committee Member
6) Mr Martin Vincent Marini	Committee Member
7) Mr Selvakumar Simon	Committee Member

Banker United Overseas Bank

External Auditor Mr Lee Choon Keat, Fiducia LLP
Certified Public Accountants, Singapore

OBJECTIVE

The two primary objects of RAS are to improve the quality of life of the people by continuously generating a high level of public awareness for the importance of a good restroom environment and to help the low income and disadvantaged. In furtherance of the first object, the Society may gather resources and promote creative development in design, usage and methods of operation to achieve the above objects; set world-class standards of excellence in restroom environment; and network with other toilet or restroom associations or bodies worldwide for ideas, social, health and cultural exchanges; liaise with Government authorities and other non-governmental organisations to organize joint activities. In furtherance of the second object, the Society may initiate training programmes and increase the employability and skills of the low income and disadvantaged.

POLICIES

Finance & funding

RAS is financially supported partially by the government and through its Happy Toilet Programme, a chargeable service on the star-rating of public toilets.

Conflict of Interest

All Board members and employees are required to comply with RAS' conflict of interest policy as stated in the revised Constitution which requires each, when dealing in matters concerning

RAS, to exercise his/her best care, skill and judgement for the sole benefit of RAS, and to make full disclosure of interests, relationships and holdings that could potentially result in a conflict of interest. Staff and Board members are to be excluded from discussions and approvals of transactions to which they have a conflict of interest.

Membership

Membership is made up of members from individuals in Singapore. As at 31 March 2016, the society has seven committee members.

Staffing

As at 31 March 2016, the staff strength is

Executive Director	1
Manager	1
Executive (Admin/HR/Accounts)	1
TOTAL	<u>3</u>

Annual Remuneration of Staff

Annual remuneration including salary, bonus and employer's CPF contribution for the top key executive is less than \$100,000.

Activities and Programmes

- STAR (Sustaining Toilets As Restrooms) Awards Programme: Education programme for primary & secondary school students
- Happy Toilets @ Preschools Programme (HTPP): Education programme for pre-schoolers
- Happy Toilet Programme: A star-rating programme for toilets
- LOO (Let's Observe Ourselves) Carnivals: Carnival to raise public awareness about World Toilet Day and adoption of restroom etiquette.
- LOO (Let's Observe Ourselves) Awards: An award ceremony to recognise organisations' & individuals' restroom-related contributions
- LOO (Let's Observe Ourselves) Connect: Happy Toilet locator and dirty toilet feedback portal
- World Toilet Day Commemoration Fund (WTDCF): Funding for preschools and schools to organise activities in October and November to commemorate World Toilet Day.
- On-site Training Programme (OTP) on Restroom Cleaning: OTP for existing cleaners on proper restroom cleaning.

Calendar of Events

April 15 - March 16	STAR Awards Programme
April 15 - March 16	Happy Toilets @ Preschools
April 15 - March 16	Happy Toilet Programme
April-November 15	World Toilet Day Commemoration Fund (WTDCF)
October-November 15	LOO Carnivals
November 15	LOO Awards
November 15	On-site Training Programme (OTP) on Restroom Cleaning

REVIEW OF FINANCIAL STATE

Restroom Association (Singapore) recorded a profit of \$70,988 with expenditure in the financial year going towards support for the charity's programmes.

FUTURE PLANS AND COMMITMENTS

RAS is executing seven programmes and projects which are interwoven to achieve its vision of a gracious society embracing excellence in restroom culture. The RAS is adopting a four-pronged approach which is also its mission of building an excellent restroom culture by:

1. Encouraging owners to provide quality restrooms
 2. Lobbying the cleaning industry to meet the right standards
 3. Educating socially responsible users
 4. Recognising organisations and individuals for their contributions
- The Happy Toilet Programme supports the first two approaches
 - The education programmes for preschools, primary and secondary schools support the first three approaches
 - The LOO Carnivals support the third approach in public education.
 - The LOO Awards supports the last approach on recognising organisations & individuals for their contributions
 - The LOO Connect & Websites provide a public-feedback channel and educational information for the public

STATEMENT OF ACCOUNTS

Statement of accounts for the financial year **ended 31 March 2016 is attached.**

**RESTROOM ASSOCIATION
(SINGAPORE)**

[Unique Entity No. S98SS0167J]

[IPC No. IPC000700]

[Registered under the Societies Act (Chapter 311)
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

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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

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STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements as set out on pages 5 to 28, are drawn up so as to give a true and fair view of the financial position of Restroom Association (Singapore) (the "Association") as at 31 March 2016 and the financial performance, changes in funds and cash flows of the Association for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

14 SEP 2016

Tan Puay Hoon
Colin See Kim Leng
Ho Chee Kit
Jack Sim Juek Wah
Himanshu Vaishampayan
Marini Martin Vincent
Selvakumar Simon

President
Secretary
Treasurer
Member
Member
Member
Member

On behalf of the Management Committee,



Tan Puay Hoon
President



Ho Chee Kit
Treasurer

Singapore, 14 SEP 2016

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent #08-01
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Singapore 408571
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Independent auditor's report to the members of:

RESTROOM ASSOCIATION (SINGAPORE)

[Unique Entity No. S98SS0167J]
[IPC No. IPC000700]

[Registered under the Societies Act (Chapter 311) in the
Republic of Singapore]

Report on the Financial Statements

We have audited the accompanying financial statements of **Restroom Association (Singapore)** (the "Association") set out on pages 5 to 28, which comprise the statement of financial position of the Association as at 31 March 2016, statement of financial activities, statement of changes in funds and statement of cash flows of the Association for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Chapter 311 ("the Act"), Charities Act (Chapter 37) and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

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

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

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

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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Singapore 408571
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(CONT'D)

Independent auditor's report to the members of:

RESTROOM ASSOCIATION (SINGAPORE)

[Unique Entity No. S98SS0167J]
[IPC No. IPC000700]

[Registered under the Societies Act (Chapter 311) in the
Republic of Singapore]

Opinion

In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Association as at 31 March 2016, and the financial performance, changes in funds and cash flows of the Association for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulation enacted under the Act to be kept by the Association have been properly kept in accordance with the provisions of those Regulations.

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

- (a) the use of the donation moneys was not in accordance with the objectives of the Association as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Association has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 14 SEP 2016

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 S\$	2015 S\$
INCOME			
Income from generating funds			
Voluntary income			
- Tax exempt donations			
o Individuals	5	3,445	4,837
o Organisations	5	8,890	5,800
- Non-tax exempt donations		50	529
- Government grants	6	184,313	156,115
		<u>196,698</u>	<u>167,281</u>
Income from charitable activities			
- Project and service fees		89,202	85,418
Other income			
		10,841	9,525
Total Income			
		<u>296,741</u>	<u>262,224</u>
EXPENDITURES			
Cost of charitable activities			
Depreciation	9	1,921	1,488
Manpower costs			
- CPF and SDL contribution		19,084	22,045
- Medical claims		1,071	368
- Salaries and bonus		138,277	162,925
- Staff training		3,644	2,729
- Transportation and travel		2,938	54
Publicity expenses		25,803	19,776
Rental		15,729	15,408
Restroom auditing costs		1,600	1,600
Telecommunications		1,831	1,893
Utilities and conservancy		3,205	3,360
Website expenses		1,197	1,218
		<u>216,300</u>	<u>232,864</u>
Governance and administrative costs			
Audit fees		1,800	1,800
Bank charges		96	53
General expenses		925	1,035
Office cleaner		1,200	1,200
Office expenses		1,215	693
Printing, stationery and postage		258	204
Professional fees		3,700	3,700
Repair and maintenance		259	0
		<u>9,453</u>	<u>8,685</u>
Total Expenditures			
		<u>225,753</u>	<u>241,549</u>
NET INCOME FOR THE FINANCIAL YEAR			
		<u>70,988</u>	<u>20,675</u>

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

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

	Note	UNRESTRICTED FUND		RESTRICTED FUND	TOTAL FUNDS
		General fund Accumulated fund S\$	Designated fund Appreciation fund S\$	Care and Share Matching Fund S\$	
INCOME					
Income from generating funds					
Voluntary income					
- Tax exempt donations					
o Individuals	5	0	3,445	0	3,445
o Organisations	5	8,890	0	0	8,890
- Non-tax exempt donations		50	0	0	50
- Government grants	6	167,812	0	16,501	184,313
		<u>176,752</u>	<u>3,445</u>	<u>16,501</u>	<u>196,698</u>
Income from charitable activities					
- Project and service fees		89,202	0	0	89,202
Other income					
		10,841	0	0	10,841
Total Income		<u>276,795</u>	<u>3,445</u>	<u>16,501</u>	<u>296,741</u>
EXPENDITURES					
Cost of charitable activities					
Depreciation	9	73	0	1,848	1,921
Manpower costs					
- CPF and SDL contribution		19,084	0	0	19,084
- Medical claims		1,071	0	0	1,071
- Salaries and bonus		138,277	0	0	138,277
- Staff training		1,036	0	2,608	3,644
- Transportation and travel		2,938	0	0	2,938
Publicity expenses		20,937	4,497	369	25,803
Rental		15,729	0	0	15,729
Restroom auditing costs		1,600	0	0	1,600
Telecommunications		1,831	0	0	1,831
Utilities and conservancy		3,205	0	0	3,205
Website expenses		1,197	0	0	1,197
		<u>206,978</u>	<u>4,497</u>	<u>4,825</u>	<u>216,300</u>
Governance and administrative costs					
Audit fees		1,800	0	0	1,800
Bank charges		96	0	0	96
General expenses		925	0	0	925
Office cleaner		1,200	0	0	1,200
Office expenses		1,215	0	0	1,215
Printing, stationery and postage		258	0	0	258
Professional fees		3,700	0	0	3,700
Repair and maintenance		259	0	0	259
		<u>9,453</u>	<u>0</u>	<u>0</u>	<u>9,453</u>
Total Expenditures		<u>216,431</u>	<u>4,497</u>	<u>4,825</u>	<u>225,753</u>
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR					
		<u>60,364</u>	<u>(1,052)</u>	<u>11,676</u>	<u>70,988</u>

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

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	UNRESTRICTED FUND		RESTRICTED FUND	TOTAL FUNDS
		General fund Accumulated fund S\$	Designated fund Appreciation fund S\$	Care and Share Matching Fund S\$	
INCOME					
Income from generating funds					
Voluntary income					
- Tax exempt donations					
o Individuals	5	0	4,837	0	4,837
o Organisations	5	5,800	0	0	5,800
- Non-tax exempt donations		529	0	0	529
- Government grants	6	154,190	0	1,925	156,115
		<u>160,519</u>	<u>4,837</u>	<u>1,925</u>	<u>167,281</u>
Income from charitable activities					
- Project and service fees		85,418	0	0	85,418
Other income					
		9,525	0	0	9,525
Total Income		<u>255,462</u>	<u>4,837</u>	<u>1,925</u>	<u>262,224</u>
EXPENDITURES					
Cost of charitable activities					
Depreciation	9	73	0	1,415	1,488
Manpower costs					
- CPF and SDL contribution		22,045	0	0	22,045
- Medical claims		368	0	0	368
- Salaries and bonus		162,925	0	0	162,925
- Staff training		0	0	2,729	2,729
- Transportation and travel		54	0	0	54
Publicity expenses		15,276	4,500	0	19,776
Rental		12,708	0	2,700	15,408
Restroom auditing costs		1,600	0	0	1,600
Telecommunications		1,893	0	0	1,893
Utilities and conservancy		3,360	0	0	3,360
Website expenses		1,218	0	0	1,218
		<u>221,520</u>	<u>4,500</u>	<u>6,844</u>	<u>232,864</u>
Governance and administrative costs					
Audit fees		1,800	0	0	1,800
Bank charges		53	0	0	53
General expenses		1,035	0	0	1,035
Office cleaner		1,200	0	0	1,200
Office expenses		693	0	0	693
Printing, stationery and postage		204	0	0	204
Professional fees		3,700	0	0	3,700
		<u>8,685</u>	<u>0</u>	<u>0</u>	<u>8,685</u>
Total Expenditures		<u>230,205</u>	<u>4,500</u>	<u>6,844</u>	<u>241,549</u>
NET INCOME / (EXPENDITURE) FOR THE FINANCIAL YEAR					
		<u>25,257</u>	<u>337</u>	<u>(4,919)</u>	<u>20,675</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	105,595	41,904
Trade and other receivables	8	<u>13,662</u>	<u>5,559</u>
		<u>119,257</u>	<u>47,463</u>
Non-current assets			
Property, plant and equipment	9	<u>2,357</u>	<u>2,979</u>
Total assets		<u>121,614</u>	<u>50,442</u>
LIABILITIES			
Current liabilities			
Accruals and other payables	10	<u>11,145</u>	<u>10,961</u>
Total liabilities		<u>11,145</u>	<u>10,961</u>
NET ASSETS		<u>110,469</u>	<u>39,481</u>
Unrestricted funds			
General fund : Accumulated fund	11	101,847	41,483
Designated fund : Appreciation fund	11	<u>1,865</u>	<u>2,917</u>
		<u>103,712</u>	<u>44,400</u>
Restricted fund			
Care and share matching fund	11	<u>6,757</u>	<u>(4,919)</u>
TOTAL FUNDS		<u>110,469</u>	<u>39,481</u>

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

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

	Note	Balance at beginning of financial year S\$	Net income / (expenditure) for the year S\$	Balance at the end of financial year S\$
2016				
Unrestricted funds				
General fund – accumulated fund		41,483	60,364	101,847
Designated fund – Appreciation fund		2,917	(1,052)	1,865
		<u>44,400</u>	<u>59,312</u>	<u>103,712</u>
Restricted fund				
Care and share matching fund		<u>(4,919)</u>	<u>11,676</u>	<u>6,757</u>
Total Funds	11	<u>39,481</u>	<u>70,988</u>	<u>110,469</u>
		Balance at beginning of financial year S\$	Net income / (expenditure) for the year S\$	Balance at the end of financial year S\$
2015				
Unrestricted funds				
General fund – accumulated fund		16,226	25,257	41,483
Designated fund – Appreciation fund		2,580	337	2,917
		<u>18,806</u>	<u>25,594</u>	<u>44,400</u>
Restricted fund				
Care and share matching fund		<u>0</u>	<u>(4,919)</u>	<u>(4,919)</u>
Total Funds	11	<u>18,806</u>	<u>20,675</u>	<u>39,481</u>

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

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

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income		70,988	20,675
Adjustment for:			
- Depreciation	9	1,921	1,488
Changes in operating assets and liabilities:			
- Trade and other receivables		(8,103)	1,230
- Accruals and other payables		184	2,123
Net cash provided by operating activities		<u>64,990</u>	<u>25,516</u>
Cash flows from investing activities			
Purchases of property, plant and equipment representing net cash used in investing activities	9	<u>(1,299)</u>	<u>(4,467)</u>
Net increase in cash and cash equivalents		63,691	21,049
Cash and cash equivalents at beginning of financial year		<u>41,904</u>	<u>20,855</u>
Cash and cash equivalents at end of financial year	7	<u><u>105,595</u></u>	<u><u>41,904</u></u>
Cash and cash equivalents comprise:			
Cash on hand		300	300
Cash at bank		<u>105,295</u>	<u>41,604</u>
	7	<u><u>105,595</u></u>	<u><u>41,904</u></u>

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

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

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

1. General information

Restroom Association (Singapore) (the "Association") was established on 8 December 1988. It operates in the Republic of Singapore.

It is a charity registered under the Charities Act (Chapter 37) since 9 January 2004. The Association has been accorded Institutions of a Public Character ("IPC") status for period from 1 November 2013 to 31 October 2015 and subsequently renewed from 1 November 2015 to 31 October 2018.

Its registered office and principal place of operation of the Association is at 2 Balestier Road, #03-679, Singapore 320002.

The objectives of the Association are:

- a) To improve the quality of life of the people by continuously generating a high level of public awareness for the importance of a good restroom environment.

In furtherance, the Association may gather resources and promote creative development in design, usage and methods of operation to achieve the above objects; set world-class standards of excellence in restroom environment; network with other toilet or restroom associations or bodies worldwide for ideas, social, health and cultural exchanges; and liaise with Government authorities and other non-governmental organisations to organise joint activities.

- b) To help the low income and disadvantaged.

In furtherance, the Association may initiate training programmes and increase the employability and skills of the low income and disadvantaged.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the disclosure requirements of the Societies Act (Chapter 311), and the provision 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 Association's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Association adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Association's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

New or amended Standards and Interpretations effective after 1 April 2015

The following are the new or amended Standards and Interpretations that are not yet applicable, but may be early adopted for the current financial year:

Descriptions	Annual periods commencing on
FRS 114: Regulatory Deferral Accounts Amendments to FRS 27: Equity Method in Separate Financial Statements Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation Amendments to FRS 16 and FRS 41: Agricultural – Bearer Plants Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception FRS 1 Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 7: Disclosure Initiative Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 109 Financial Instruments FRS 115 Revenue from Contracts with Customers	1 January 2018

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

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

2.2.1 Projects and services

Income from projects and services is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

2.2.2 Government grants

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

2.1.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.5 Other income

Other income is recognised when incurred.

2.3 Cost and expense recognition

All costs and expenses 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 charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Association. The total costs of charitable expenditure are apportionment of overhead and shared costs.

2.3.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Association, 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 on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Computer	3 years
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

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

2.4.3 Subsequent expenditure

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

2.4.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.5 Impairment of non-financial assets

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

For the purpose of impairment, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

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

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.6 Financial assets

2.6.1 Classification

The Association classifies its financial assets as: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

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

2.6.2 Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in statement of financial activities.

2.6.3 Measurement

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

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.4 Impairment

The Association assesses at each balance sheet 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.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

An allowance for impairment of loans and receivables is recognised when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in statement of financial activities.

2.7 Cash and cash equivalents

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

2.8 Financial liabilities

Financial liabilities are recognised when the Association 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 comprehensive income. Financial liabilities include "Accruals and other payables".

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 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 Accruals and other payables

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

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Association 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. Significant accounting policies (Cont'd)

2.11 Fair value estimation of financial assets and liabilities

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

2.12 Funds

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

2.13 Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in statement of financial activities when incurred.

2.14 Employee compensation

Defined contribution plans

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

Employee leave entitlement

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

2. Significant accounting policies (Cont'd)

2.15 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Association if that person:

- (i) Has control or joint control of the Association;
- (ii) Has significant influence over Association; or
- (iii) Is a member of the key management personnel of the Association or of a parent of the Association.

(b) An entity is related to the Association if any of the following conditions applies:

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

3. Critical accounting estimates, assumptions and judgments

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

Critical judgments in applying the entity's accounting policies

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

Estimated useful lives of property, plant and equipment

The Association 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.

3. Critical accounting estimates, assumptions and judgments (Cont'd)Critical judgments in applying the entity's accounting policies (Cont'd)*Impairment of non-financial assets*

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

Allowance for impairment of receivables

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

4. Income tax

The Association is registered as a charity organisation under Charities Act, Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1) of the Income Tax Act.

5. Tax deductible receipts

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

	2016 S\$	2015 S\$
Statement of financial activities – Unrestricted funds		
General fund – Accumulated fund		
- Donations from organisations	8,890	5,800
Designated fund – Appreciation fund		
- Donations from individuals	3,445	4,837
	<u>12,335</u>	<u>10,637</u>

6. Government grants

	2016 S\$	2015 S\$
Care and share matching fund	16,501	1,925
Grant from Ministry of Education	28,525	0
Grant from National Environment Agency	139,287	152,590
Other grants	0	1,600
	<u>184,313</u>	<u>156,115</u>

7. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash on hand	300	300
Cash at bank	<u>105,295</u>	<u>41,604</u>
	<u>105,595</u>	<u>41,904</u>

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

8. Trade and other receivables

	2016 S\$	2015 S\$
Trade receivables		
- Outside parties	13,375	6,485
Less: Allowance for impairment	<u>(2,480)</u>	<u>(2,480)</u>
Net trade receivables	<u>10,895</u>	<u>4,005</u>
Other receivables		
- Deposits paid	1,661	1,554
- Prepayment	351	0
- Others	<u>755</u>	<u>0</u>
	<u>13,662</u>	<u>5,559</u>

The movement of allowance for impairment of trade receivables is as follows:

	2016 S\$	2015 S\$
Beginning and end of financial year	<u>2,480</u>	<u>2,480</u>

Trade receivables are interest-free and are generally collectible upon presentation of invoice.

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

9. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2016				
At cost				
Computer	18,029	1,299	0	19,328
Furniture and fittings	2,532	0	0	2,532
Office equipment	7,204	0	0	7,204
Renovation	8,305	0	0	8,305
	<u>36,070</u>	<u>1,299</u>	<u>0</u>	<u>37,369</u>
Accumulated depreciation and impairment losses				
	Balance at beginning of year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of Year S\$
Computer	15,196	1,848	0	17,044
Furniture and fittings	2,386	73	0	2,459
Office equipment	7,204	0	0	7,204
Renovation	8,305	0	0	8,305
	<u>33,091</u>	<u>1,921</u>	<u>0</u>	<u>35,012</u>
Net book value				
	Balance at beginning of year S\$			Balance at end of Year S\$
Computer	2,833			2,284
Furniture and fittings	146			73
Office equipment	0			0
Renovation	0			0
	<u>2,979</u>			<u>2,357</u>

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

	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
2015				
At cost				
Computer	13,781	4,248	0	18,029
Furniture and fittings	2,313	219	0	2,532
Office equipment	7,204	0	0	7,204
Renovation	8,305	0	0	8,305
	<u>31,603</u>	<u>4,467</u>	<u>0</u>	<u>36,070</u>
Accumulated depreciation and impairment losses				
	Balance at beginning of year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of Year S\$
Computer	13,781	1,415	0	15,196
Furniture and fittings	2,313	73	0	2,386
Office equipment	7,204	0	0	7,204
Renovation	8,305	0	0	8,305
	<u>31,603</u>	<u>1,488</u>	<u>0</u>	<u>33,091</u>
Net book value				
	Balance at beginning of year S\$			Balance at end of Year S\$
Computer	0			2,833
Furniture and fittings	0			146
Office equipment	0			0
Renovation	0			0
	<u>0</u>			<u>2,979</u>

The following computers were purchased through the utilisation of the Care and share matching fund:

	Note	2016 S\$	2015 S\$
Computer			
At cost			
Beginning of the financial year		4,248	0
Additions		<u>1,299</u>	<u>4,248</u>
End of financial year		<u>5,547</u>	<u>4,248</u>
Accumulated depreciation			
Beginning of financial year		1,415	0
Depreciation charge		<u>1,848</u>	<u>1,415</u>
End of financial year		<u>3,263</u>	<u>1,415</u>
Net book value	11	<u>2,284</u>	<u>2,833</u>

10. Accruals and other payables

	2016 S\$	2015 S\$
Accruals	11,075	10,891
Other creditors	70	70
	<u>11,145</u>	<u>10,961</u>

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

11. Funds

Funds comprise unrestricted and restricted funds.

a) Unrestricted funds

(i) General fund – accumulated fund

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

(ii) Designated fund- appreciation fund

This fund represents tax-exempt donations- individuals are for purchasing NTUC Fair Price vouchers and refreshment that are presented to restroom cleaning attendance to recognise their efforts and help them to cope with rising living costs.

b) Restricted fund

Care and Share Matching Fund

Care and Share Matching fund is a grant from Ministry of Social and Family Development (“MSF”), based on qualifying donations, to develop the charitable agency’s capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not being approved by MSF.

Net assets of the restricted funds

	Note	2016 S\$	2015 S\$
Total restricted funds as at 31 March 2016		<u>6,757</u>	<u>(4,919)</u>
Represented by:			
Cash and bank balances		4,473	(7,752)
Property, plant and equipment	9	<u>2,284</u>	<u>2,833</u>
		<u>6,757</u>	<u>(4,919)</u>

12. Operating lease commitments

As at the reporting date, the Association has commitment for future minimum lease payments under non-cancellable operating leases as follows:

	2016 S\$	2015 S\$
Not later than one year	16,692	11,556
Between one and five years	<u>29,211</u>	<u>0</u>
	<u>45,903</u>	<u>11,556</u>

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

13. Related party transactions

The Association had no significant transactions with related parties during the financial year.

The Management Committee Members did not receive any remuneration during the financial year.

14. Management of conflict of interest

There is no paid staff on the Association's Management Committee.

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

15. Key management personnel compensation

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

	2016 S\$	2015 S\$
Number of key management in remuneration bands		
S\$50,001 to S\$100,000	<u>1</u>	<u>1</u>

16. Reserve policy and position

The Association's reserve position for financial year ended 31 March 2016 is as follows:

		2016	2015	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	102	41	148.78
B	Restricted or Designated Funds			
	Designated Funds	2	3	33.33
	Restricted Funds	6	(5)	220.00
C	Endowment Funds	0	0	0.00
D	Total Funds	110	39	182.05
E	Total Annual Operating Expenditure	216	230	(6.09)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.47	0.18	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
D. Total Funds include unrestricted, restricted / designated and endowment funds.
E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Administration costs.

The Association's Reserve Policy is as follows:

The Association's objective on managing general fund is to safeguard the Association's ability to continue as a going concern, so that they can continue to provide services for the benefit of its members.

The Association monitors general fund on a prudent basis and they do not utilise any external debt from financial institutions. The capital structure of the Association consists of cash and cash equivalents and general fund.

17. Financial Instruments

The financial assets and liabilities of the Association as at the reporting date are as follows:

	2016	2015
	S\$	S\$
<u>Financial Assets</u>		
Loans and receivables		
Cash and bank balances	105,595	41,904
Trade and other receivables (excluding prepayment)	<u>13,311</u>	<u>5,559</u>
	<u>118,906</u>	<u>47,463</u>
<u>Financial Liabilities</u>		
Accruals and other payables	<u>11,145</u>	<u>10,961</u>

18. Financial risk management

The Association is primarily funded by government grant, donations, and project income.

The Association has limited exposure to the following risk due to its charitable activities:

Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to the Association resulting in a loss to the Association.

The carrying amounts of trade and other receivables and cash and cash equivalents represent the Association's maximum exposure to credit risk.

Trade receivables are unsecured and the analysis of their aging follows:

	2016 S\$	2015 S\$
Less than 30 days	4,328	1,223
31 to 90 days	5,480	1,960
More than 90 days	1,087	822
	<u>10,895</u>	<u>4,005</u>

The Management Committee is of the opinion that no provision for impairment is required.

The credit risk on liquid funds is limited because the counter parties are banks with high credit rating assigned by international credit agencies.

Liquidity risk

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

The Association manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Management Committee to fund the Association's activities. It places its cash with creditworthy institutions.

The Association's liabilities at the reporting date are all payable within one year based on contractual undiscounted payments.

	2016 S\$	2015 S\$
<u>Payable within one year</u>		
<i>Financial Liabilities</i>		
Accruals and other payables	<u>11,145</u>	<u>10,961</u>

18. Financial risk management (Cont'd)*Interest rate risk*

Changes in interest rates do not have a material impact on the Association as it does not have any interest-bearing liabilities.

The responsibility for managing the above risks is vested in the Management Committee.

Fair value

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

19. Comparative figure

The 2015 comparative figures of the Statement of financial position have been reclassified to conform to the current presentation.

The reclassifications were due to:

- Care and Share Matching fund is grant received from MSF to deliver a programme, and the programme reserve is to be ring-fenced and classified as restricted fund.
- Appreciation fund is a designation fund set aside by the management to recognise the efforts of restroom cleaner attendance and help them to cope with rising living costs.

As a result, certain line items have been amended in the statement of financial activities and statement of financial position. Comparative figures have been adjusted to conform to the current year's presentation.

	As amended S\$	As previously reported S\$
<u>Statement of Financial position</u>		
General fund	41,483	39,481
Designated fund- appreciation fund	2,917	0
Restricted fund	(4,919)	0
	<u>39,481</u>	<u>39,481</u>

19. Comparative figure (Cont'd)

<u>Statement of financial activities</u>	As amended			Restricted fund Care and share matching fund S\$	As previously stated
	Unrestricted fund		Total		Unrestricted fund
	General fund S\$	Designated fund- appreciation S\$			General Fund S\$
INCOME					
Income from generated funds					
Voluntary income					
- tax exempt donations -					
Individuals	0	4,837	4,837	0	4,837
- Government grants	154,190	0	154,190	1,925	156,115
	<u>154,190</u>	<u>4,837</u>	<u>159,027</u>	<u>1,925</u>	<u>160,952</u>
EXPENDITURE					
Cost of charitable activities					
Depreciation	73	0	73	1,415	1,488
Staff training	0	0	0	2,729	2,729
Publicity expenses	15,276	4,500	19,776	0	19,776
Rental Office	12,708	0	12,708	2,700	15,408
	<u>28,057</u>	<u>4,500</u>	<u>32,557</u>	<u>6,844</u>	<u>39,401</u>

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on **14 SEP 2016**