

CLUB HEAL

Unique Entity No.: T12SS0028K

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018
TOGETHER WITH THE STATEMENT BY THE
EXECUTIVE COMMITTEE AND AUDITOR'S REPORT**

CLUB HEAL
Unique Entity No.: T12SS0028K

CONTENTS

	Page
Statement by the Executive Committee	3
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Financial Activities	7 - 8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 22

CLUB HEAL
Statement by the Executive Committee
For the financial year ended 31 March 2018

In the opinion of the Executive Committee, the accompanying financial statements of Club Heal (the "Association") together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Association as at 31 March 2018 and of the financial performance and cash flows of the Association for the financial year ended on that date.

The Executive Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Executive Committee,



RADIAH BINTI SALIM
President



SITI HAWA SULAIMAN
Treasurer

Singapore,
23 AUG 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of
CLUB HEAL

Report on the Audit of the Financial Statements*Opinion*

We have audited the financial statements of Club Heal (the "Association"), which comprise the statement of financial position as at 31 March 2018, the statement of financial activities and statement of cash flows of the Association for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 and the Charities Act, Cap. 37 (collectively herein known as the "Acts") and Charities Accounting Standard ("CAS") so as to give a true and fair view of the financial position of the Association as at 31 March 2018 and the financial performance of the Association and cash flows for the financial year then 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 Association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on page 3.

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

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

Responsibilities of the Executive Committee for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association'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 Council or to cease operations, or has no realistic alternative but to do so.

The Executive Committee's responsibilities include overseeing the Association's financial reporting process.

Reanda Adept PAC

A Public Accounting Corporation with Limited Liability

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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 assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

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



Reanda Adept PAC
Public Accountants and
Chartered Accountants

Singapore,

23 AUG 2010

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CLUB HEAL
Statement of Financial Position
As at 31 March 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Non-current asset			
Plant and equipment	4	<u>195,929</u>	<u>238,692</u>
Current assets			
Other receivables	5	<u>9,814</u>	<u>7,261</u>
Cash and cash equivalents	6	<u>301,879</u>	<u>334,771</u>
		<u>311,693</u>	<u>342,032</u>
TOTAL ASSETS		<u>507,622</u>	<u>580,724</u>
FUNDS AND LIABILITIES			
Funds			
General fund - unrestricted	2.12	<u>835,049</u>	<u>740,809</u>
General fund - restricted	10	<u>(400,561)</u>	<u>(208,890)</u>
		<u>434,488</u>	<u>531,919</u>
Non-current liability			
Hire purchase creditor	11	<u>1,650</u>	<u>3,065</u>
Current liabilities			
Other payables	7	<u>70,070</u>	<u>44,326</u>
Hire purchase creditor	11	<u>1,414</u>	<u>1,414</u>
		<u>71,484</u>	<u>45,740</u>
TOTAL FUNDS AND LIABILITIES		<u>507,622</u>	<u>580,724</u>

The accompanying notes form an integral part of the financial statements

CLUB HEAL
Statement of Financial Activities
For the financial year ended 31 March 2018

	2018			2017		
	General Fund	General Fund	Total	General Fund	General Fund	Total
	Unrestricted	Restricted (Note 10)		Unrestricted	Restricted (Note 10)	
S\$	S\$	S\$	S\$	S\$	S\$	
INCOME						
Income from generated funds						
Grants	-	881,333	881,333	342,797	586,134	928,931
Wakaf collection	12,000	-	12,000	35,705	-	35,705
Donation - Non-tax deductible	88,789	-	88,789	69,650	-	69,650
Donations - Tax deductible	317,171	-	317,171	312,158	-	312,158
	<u>417,960</u>	<u>881,333</u>	<u>1,299,293</u>	<u>760,310</u>	<u>586,134</u>	<u>1,346,444</u>
Income from fundraising activities						
Thrift shops	-	-	-	18	-	18
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>-</u>	<u>18</u>
Income from charitable activities						
Entrance fee	395	-	395	490	-	490
Membership fees	20	-	20	30	-	30
Sale of books	12,412	-	12,412	11,775	-	11,775
Thrift shops	8,826	-	8,826	12,067	-	12,067
Training fees	60	980	1,040	-	730	730
	<u>21,713</u>	<u>980</u>	<u>22,693</u>	<u>24,362</u>	<u>730</u>	<u>25,092</u>
Other income						
Wage credit scheme/SEC	81,077	-	81,077	4,823	-	4,823
Others	10,128	-	10,128	3,012	-	3,012
	<u>91,205</u>	<u>-</u>	<u>91,205</u>	<u>7,835</u>	<u>-</u>	<u>7,835</u>
Total income	<u>530,878</u>	<u>882,313</u>	<u>1,413,191</u>	<u>792,525</u>	<u>586,864</u>	<u>1,379,389</u>
EXPENSES						
Cost of generating funds						
Allowances for volunteers/interns	(993)	-	(993)	(579)	(815)	(1,394)
Bank charges	(386)	-	(386)	(474)	-	(474)
Cost of sale of books	-	-	-	(442)	-	(442)
Office supplies	(2,806)	-	(2,806)	(1,257)	(151)	(1,408)
Printing and stationery	(8,575)	-	(8,575)	(105)	-	(105)
Programmes	-	-	-	(5,213)	-	(5,213)
Rental	(4,668)	-	(4,668)	(16,381)	-	(16,381)
Refreshments	(11,953)	-	(11,953)	(7,450)	-	(7,450)
Transport expenses	(300)	-	(300)	(340)	-	(340)
	<u>(29,681)</u>	<u>-</u>	<u>(29,681)</u>	<u>(32,241)</u>	<u>(966)</u>	<u>(33,207)</u>

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

CLUB HEAL
Statement of Financial Activities
For the financial year ended 31 March 2018

	2018			2017		
	General	General	Total	General	General	Total
	Fund	Fund		Fund	Fund	
Unrestricted	Restricted (Note 10)	S\$	Unrestricted	Restricted (Note 10)	S\$	
EXPENSES (Continued)						
Cost of charitable activities						
Allowances for volunteers/interns	(720)	(8,995)	(9,715)	(616)	(8,918)	(9,534)
CPF and SDL	(22,411)	(123,128)	(145,539)	(22,362)	(76,099)	(98,461)
Depreciation of plant and equipment	-	-	-	(1,400)	-	(1,400)
Empowerment programmes	(15,505)	(500)	(16,005)	(19,976)	(485)	(20,461)
Insurance	(1,156)	-	(1,156)	(74)	-	(74)
Miscellaneous expenses	(1,138)	(811)	(1,949)	(119)	(467)	(586)
Office supplies	(133)	(4,376)	(4,509)	(250)	(2,273)	(2,523)
Printing & stationery	(3,905)	(5,787)	(9,692)	(346)	(8,677)	(9,023)
Refreshments	(1,227)	(1,305)	(2,532)	(2,109)	(850)	(2,959)
Rehabilitation expenses	(38,581)	(29,142)	(67,723)	(28,876)	(24,919)	(53,795)
Rental	(6,208)	-	(6,208)	(235)	-	(235)
Salaries and bonus	(132,368)	(766,240)	(898,608)	(130,123)	(471,858)	(601,981)
Staff benefits	(1,112)	(2,745)	(3,857)	(583)	(2,309)	(2,892)
Staff training	(854)	(7,879)	(8,733)	(4,834)	(5,829)	(10,663)
Telecommunications	(240)	(8,309)	(8,549)	(572)	(5,117)	(5,689)
Transport expenses	(3,378)	(23,831)	(27,209)	(2,725)	(13,260)	(15,985)
	(228,936)	(983,048)	(1,211,984)	(215,200)	(621,061)	(836,261)
Governance and other administrative costs						
Audit fee	(18,267)	-	(18,267)	(5,350)	(2,060)	(7,410)
Bank charges	(265)	-	(265)	(43)	-	(43)
Hire purchase interest	(191)	-	(191)	(191)	-	(191)
CPF and SDL	(10,979)	(12,380)	(23,359)	(2,955)	(11,094)	(14,049)
Depreciation of plant and equipment	(73,075)	-	(73,075)	(46,409)	-	(46,409)
Licence fees	(500)	-	(500)	(321)	-	(321)
Office supplies	(581)	-	(581)	(28)	(1,061)	(1,089)
Printing and stationery	(293)	(98)	(391)	(33)	(245)	(278)
Publicity	-	(5,000)	(5,000)	-	-	-
Refreshments	(2)	-	(2)	(993)	-	(993)
Rental of equipment	(669)	-	(669)	-	-	-
Repair and maintenance	(1,529)	(1,302)	(2,831)	(1,168)	(517)	(1,685)
Salaries and other related costs	(62,095)	(71,830)	(133,925)	(17,969)	(64,378)	(82,347)
Staff benefits	-	(326)	(326)	(339)	(706)	(1,045)
Subscriptions	(1,783)	-	(1,783)	(8,098)	-	(8,098)
Sundry expenses	(6)	-	(6)	-	-	-
Training expenses	-	-	-	(382)	(447)	(829)
Transport expenses	(190)	-	(190)	(127)	-	(127)
Staff retreat	(7,521)	-	(7,521)	-	-	-
Telecommunications	(75)	-	(75)	(589)	-	(589)
Utilities	-	-	-	(1,188)	-	(1,188)
	(178,021)	(90,936)	(268,957)	(86,183)	(80,508)	(166,691)
Total expenses	(436,638)	(1,073,984)	(1,510,622)	(333,624)	(702,535)	(1,036,159)
(Deficit)/Surplus for the financial year	94,240	(191,671)	(97,431)	458,901	(115,671)	343,230
Reconciliation of funds:						
At beginning of the financial year	740,809	(208,890)	531,919	281,908	(93,219)	188,689
(Deficit)/Surplus for the financial year	94,240	(191,671)	(97,431)	458,901	(115,671)	343,230
At end of the financial year	835,049	(400,561)	434,488	740,809	(208,890)	531,919

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

CLUB HEAL
Statement of Cash Flows
For the financial year ended 31 March 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
(Deficit)/Surplus for the financial year		(97,431)	343,230
Adjustments for:			
Depreciation of plant and equipment	4	<u>73,075</u>	<u>47,810</u>
Operating (deficit)/surplus before working capital changes		<u>(24,356)</u>	391,040
Changes in working capital:			
Other receivables		(2,553)	(1,989)
Other payables		<u>25,744</u>	<u>(53,669)</u>
Net change in working capital		<u>23,191</u>	<u>(55,658)</u>
Net cash (outflows)/inflows from operations		<u>(1,165)</u>	<u>335,382</u>
Cash flow from investing activities			
Purchase of plant and equipment	4	<u>(30,312)</u>	<u>(98,908)</u>
Net cash outflow from investing activities		<u>(30,312)</u>	<u>(98,908)</u>
Cash flow from financing activities			
Repayment of hire purchase creditor	11	<u>(1,415)</u>	<u>(1,414)</u>
Net cash outflow from financing activities		<u>(1,415)</u>	<u>(1,414)</u>
Net (decrease)/increase in cash and cash equivalents		(32,892)	235,060
Cash and cash equivalents at beginning of the financial year		<u>334,771</u>	<u>99,711</u>
Cash and cash equivalents at end of the financial year	6	<u><u>301,879</u></u>	<u><u>334,771</u></u>

The accompanying notes form an integral part of the financial statements

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

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

1. General information

Club Heal ("The Association") (UEN No.: T12SS0028K) is registered in the Republic of Singapore under the Societies Act, Cap. 311.

The Association's registered address and principal place of business is at 244 Bukit Batok East Ave 5 #01-02 Singapore 650244.

The Association has been accorded the status of an Institution of Public Character ("IPC") from 5 August 2016 to 31 October 2017, and this was subsequently renewed to 30 April 2020.

The main objectives of the Association are as follows:

- (i) To organize and facilitate social and charitable activities for the promotion of mental health and rehabilitation and reintegration into the community of persons recovering from psychiatric illnesses;
- (ii) To develop, organize and implement programmes to assist and empower persons recovering from psychiatric illnesses to regain confidence in themselves and trust in others to achieve community reintegration;
- (iii) To provide assistance, support, training and education to persons suffering or recovering from psychiatric illnesses, including education in medication management, symptoms management and communication skills;
- (iv) To provide, organise and/or facilitate for its Members, skills training and/or upgrading in (a) providing after care services for persons recovering from psychiatric illnesses, (b) providing education and supportive counselling for the family members and care-givers of persons suffering or recovering from psychiatric illnesses; and
- (iv) To work with relevant government agencies and other stakeholders on all matters pertaining to services provided by the Association and its Members.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Association have been prepared in accordance with the provisions of the Singapore Charities Act, Cap 37 (the "Act"), Charities Accounting Standards (CAS) and Societies Act (Chapter 311). The accounting policies of the Association are consistent with the requirements of the CAS and are applied consistently to similar transactions, other events and conditions. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires management to exercise its judgment in the process of applying the Association's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity are disclosed in Note 3 to the financial statements.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.2 Foreign currencies

(a) Functional and presentation currencies

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the Association operates (the "functional currency"). The financial statements are presented in Singapore dollar ("S\$"), which is also the functional currency of the Association.

(b) Transactions and balances

Transactions in foreign currencies are translated to the functional currencies at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the date of the statement of financial position are translated to the functional currency at the exchange rates closely approximating to those ruling at the date of the statement of financial position.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Translation differences are taken to the statement of financial activities.

2.3 Plant and equipment

(a) Owned assets

The cost of an item of plant and equipment is recognised as an asset, if and only if, 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.

All items of property, plant and equipment shall measure after initial recognition at cost less any accumulated depreciation. The costs of day-to-day servicing of an item of property, plant and equipment shall recognise as expenditure in the Statement of Financial Activities in the period in which the costs are incurred.

Property, plant and equipment shall not be revalued and are not required to be assessed for impairment under the CAS.

The accumulated depreciation of an asset is eliminated on the date of revaluation or impairment.

(b) Component of costs

The cost of an item of plant and equipment initially recognised includes the purchase price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Executive Committee.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Association. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

CLUB HEAL

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.3 Plant and equipment (continued)

(d) Disposals

Gain or loss arising from the retirement or disposal of plant and equipment is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and is recognised in the statement of financial activities on the date of retirement or disposal.

(e) Depreciation

Depreciation is computed on a straight-line basis so as to write off the cost or the carrying amount over the estimated useful lives of the assets:

Centre improvements	5 years
Furniture and fittings	5 years
Office equipment	5 years
Computers	3 years
Other equipment	5 years

The carrying amount, residual value and useful lives are reviewed and adjusted as appropriate at the end of each reporting period with changes in estimates accounted for on a prospective basis.

2.4 Financial assets

The Association has its financial assets in the following categories: cash and cash equivalents and other receivables in financial assets. The classification depends on the purpose for which the assets were acquired.

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

After initial recognition, other receivables are subsequently measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognized in statement of financial activities.

At the end of each reporting period, the association shall assess whether there is objective evidence of impairment of its financial assets. If there is objective evidence of impairment, the charity shall recognise an impairment loss (i.e. expenditure) immediately in the Statement of Financial Activities.

2.5 Impairment of financial assets

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 recognizes an allowance for impairment when such evidence exists.

An allowance for impairment is established 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.

To determine whether there is objective evidence that an impairment loss has been incurred, the Association considers assessable data that come to the attention of the Association.

In the case of other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Association expects to receive from the assets.

CLUB HEAL

Notes to the Financial Statements

For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.5 Impairment of financial assets (continued)

The recognised impairment loss is subsequently reversed if the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment is recognised. The reversal shall not result in a carrying amount of the financial assets, net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognised. The reversal of impairment loss is recognised in the statement of financial activities.

2.6 Financial liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association derecognizes financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expired.

2.7 Employee benefits - defined contribution plan

The Association makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to this scheme are recognised as an expense in the period in which the related service is performed.

2.8 Grants and subsidies

Grants and subsidies are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the grant is recognized as designated capital grant on the balance sheet and is amortised to statement of final activities over the expected useful life of the relevant asset by equal annual instalments.

Where the grant relates to income the grant is recognised in statement of financial activities on a systematic basis over the periods in which the Association recognizes as expenses the related costs.

2.9 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

General donations and contributions are recognised when they have been received, unless it is subject to donor-imposed conditions that specify the time period in which the related expenditure can take place. Such a pre-condition for use limits the Association's ability to expend the income until the time condition is met, and the income received in advance is recognised as deferred income on the statement of financial position until the time period in which the Association is allowed by the condition to expend the income.

Interest income is recognised when received.

Items received which are donated for resale, distribution or consumptions are not recorded when received as it is usually not practical to ascertain the value of the items involved.

2.10 Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity.

(a) Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Association, other than those costs incurred in undertaking charitable activities in furtherance of the Association's objects.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.10 Expenditure (continued)

(b) Cost of charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Association. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity.

(c) Governance and other administrative costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Association as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the charity will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members, and costs associated with constitutional and statutory requirements.

2.11 Leases

Lessee – Operating Lease

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 the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rentals are recognised as an expense in the statement of comprehensive income when incurred.

Lessee – Finance Lease

Leased assets in which the company assumes substantially all the risks and rewards incidental to ownership are classified as finance lease.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised in the statement of financial position as plant and equipment (note 4) and finance lease commitments (note 11) respectively, at the inception of the leases based on the lower of its fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in statement of financial activities on a basis that reflects a constant periodic rate of interest on the finance lease liability.

2.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Executive Committee. 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 the Executive Committee retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are not subject to significant change in value.

2.14 Related parties and transactions

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 over the Association;
- (ii) Has significant influence over the 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 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 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); or
- (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The related party transaction is a transfer of resources, services or obligations between the Association and a related party, regardless of whether price is charged.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

2. Summary of significant accounting policies (continued)

2.15 Goods and services tax (GST)

GST incurred on purchase of assets or expenses are recognised as part of the cost of acquisition of the asset or as part of the expense item where applicable. Payables are stated with the amount of GST included.

2.16 Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. Critical accounting estimates, assumptions and judgements

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

The Association does not have any material key sources of estimation uncertainty and assumptions at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

In the process of applying the Association's accounting policies, the Executive Committee is not aware of any judgements that have a significant effect on the amounts recognised in the financial statements.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

4. Plant and Equipment

	Centre improvements S\$	Furniture and fittings S\$	Office equipment S\$	Computers S\$	Other equipment S\$	Total S\$
Cost						
At 1 April 2016	182,768	3,058	10,124	24,337	7,000	227,287
Additions	67,264	7,319	-	23,566	759	98,908
At 31 March 2017	250,032	10,377	10,124	47,903	7,759	326,195
Additions	-	-	588	29,282	442	30,312
At 31 March 2018	250,032	10,377	10,712	77,185	8,201	356,507
Accumulated depreciation						
At 1 April 2016	29,255	708	2,273	6,409	1,048	39,693
Charge for the financial year	32,497	1,542	2,025	10,244	1,502	47,810
At 31 March 2017	61,752	2,250	4,298	16,653	2,550	87,503
Charge for the financial year	49,284	1,463	1,925	18,842	1,561	73,075
At 31 March 2018	111,036	3,713	6,223	35,495	4,111	160,578
Carrying amount						
At 31 March 2017	188,280	8,127	5,826	31,250	5,209	238,692
At 31 March 2018	138,996	6,664	4,489	41,690	4,090	195,929

At the date of statement of financial position, the carrying amount of equipment held under finance lease was S\$ 2,828 (2017: S\$ 4,242) (Note 11).

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

5. Other receivables

	2018	2017
	S\$	S\$
Deposits	3,590	3,520
Other debtors	6,224	3,741
	<u>9,814</u>	<u>7,261</u>

6. Cash and cash equivalents

	2018	2017
	S\$	S\$
Cash at banks	301,467	333,007
Cash in hand	412	1,764
	<u>301,879</u>	<u>334,771</u>

7. Other payables

	2018	2017
	S\$	S\$
Accruals	63,357	42,512
Other creditors	6,713	1,814
	<u>70,070</u>	<u>44,326</u>

8. Tax-deductible receipts

During the financial year, the Association issued tax-deductible receipts for donations amounting to S\$ 317,171 (2017: S\$ 312,258).

9. Taxation

The Association is an approved charitable organization under the Charities Act, Cap. 37.

No provision for income tax is made in the financial statements as the Association, being a charity, is exempted from income tax.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

10. General Fund - restricted

Restricted funds are depicted as follows:

	2018								
	Temasek Cares S\$	COMIT S\$	Mindset (Designated Donation) S\$	NCSS Healing Friends S\$	CREST S\$	Care & Share S\$	MUIS S\$	Community foundation of Singapore S\$	Total S\$
INCOME									
Income from generated funds									
Grants	-	682,402	-	-	102,011	-	65,000	31,920	881,333
Income from charitable activities									
Training fees	-	-	-	980	-	-	-	-	980
Total income	-	682,402	-	980	102,011	-	65,000	31,920	882,313
EXPENSES									
Cost of charitable activities									
Allowances for volunteers/interns	-	(1,225)	-	(7,770)	-	-	-	-	(8,995)
CPF and SDL	-	(91,755)	-	(8,305)	(19,918)	-	(1,681)	(1,469)	(123,128)
Empowerment programmes	-	(500)	-	-	-	-	-	-	(500)
Miscellaneous expenses	-	(121)	-	(30)	(660)	-	-	-	(811)
Office supplies	-	(2,737)	-	(200)	(1,439)	-	-	-	(4,376)
Printing & stationery	-	(3,410)	-	(78)	(2,265)	-	(34)	-	(5,787)
Refreshments	-	(76)	-	(908)	-	(321)	-	-	(1,305)
Rehabilitation expenses	-	(20,947)	-	(50)	(8,145)	-	-	-	(29,142)
Salaries and bonus	-	(584,263)	-	(48,173)	(115,550)	-	(9,739)	(8,515)	(766,240)
Staff benefits	-	(1,535)	-	(124)	(561)	-	-	(525)	(2,745)
Staff training	-	(7,560)	-	-	(319)	-	-	-	(7,879)
Telecommunications	-	(5,459)	-	(416)	(2,251)	-	(183)	-	(8,309)
Transport expenses	-	(19,335)	-	(928)	(3,361)	(33)	(174)	-	(23,831)
	-	(738,923)	-	(66,982)	(154,469)	(354)	(11,811)	(10,509)	(983,048)
Governance and other administrative costs									
CPF and SDL	-	(11,138)	-	(1,242)	-	-	-	-	(12,380)
Printing and stationery	-	(88)	-	(10)	-	-	-	-	(98)
Publicity	-	-	-	-	-	(5,000)	-	-	(5,000)
Repair and maintenance	-	(1,016)	-	-	(286)	-	-	-	(1,302)
Salaries and other related costs	-	(64,630)	-	(7,200)	-	-	-	-	(71,830)
Staff benefits	-	(326)	-	-	-	-	-	-	(326)
	-	(77,198)	-	(8,452)	(286)	(5,000)	-	-	(90,936)
Total expenses	-	(816,121)	-	(75,434)	(154,755)	(5,354)	(11,811)	(10,509)	(1,073,984)
(Deficit)/Surplus for the financial year	-	(133,719)	-	(74,454)	(52,744)	(5,354)	53,189	21,411	(191,671)
Reconciliation of funds:									
At beginning of the financial year	746	(310,219)	(39,952)	168,776	(28,241)	-	-	-	(208,890)
(Deficit)/Surplus for the financial year	-	(133,719)	-	(74,454)	(52,744)	(5,354)	53,189	21,411	(191,671)
At end of the financial year	746	(443,938)	(39,952)	94,322	(80,985)	(5,354)	53,189	21,411	(400,561)

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

10. General Fund - restricted (continued)

	2017					Total S\$
	Temasek Cares S\$	COMIT S\$	Mindset (Designated Donation) S\$	NCSS Healing Friends S\$	CREST S\$	
	S\$	S\$	S\$	S\$	S\$	
INCOME						
Income from generated funds						
Grants	10,272	401,873	-	157,924	16,065	586,134
Income from charitable activities						
Training fees	-	-	-	730	-	730
Total income	10,272	401,873	-	158,654	16,065	586,864
EXPENSES						
Cost of generating funds						
Allowances for volunteers/interns	-	-	-	(815)	-	(815)
Office supplies	-	(42)	-	(109)	-	(151)
	-	(42)	-	(924)	-	(966)
Cost of charitable activities						
Allowances for volunteers/interns	-	-	-	(8,918)	-	(8,918)
CPF and SDL	-	(62,076)	-	(8,393)	(5,630)	(76,099)
Empowerment programmes	-	(485)	-	-	-	(485)
Miscellaneous expenses	-	(464)	-	(3)	-	(467)
Office supplies	-	(1,759)	-	(28)	(486)	(2,273)
Printing & stationery	-	(7,829)	-	-	(848)	(8,677)
Refreshments	-	-	-	(850)	-	(850)
Rehabilitation expenses	-	(21,609)	-	-	(3,310)	(24,919)
Salaries and bonus	-	(390,512)	-	(48,720)	(32,626)	(471,858)
Staff benefits	-	(2,165)	-	-	(144)	(2,309)
Staff training	-	(5,731)	-	-	(98)	(5,829)
Telecommunications	-	(3,861)	-	(408)	(848)	(5,117)
Transport expenses	-	(12,409)	-	(535)	(316)	(13,260)
	-	(508,900)	-	(67,855)	(44,306)	(621,061)
Governance and other administrative costs						
Audit fee	(1,030)	(1,030)	-	-	-	(2,060)
CPF and SDL	-	(8,393)	-	(2,701)	-	(11,094)
Office supplies	-	(1,061)	-	-	-	(1,061)
Printing and stationery	-	(245)	-	-	-	(245)
Repair and maintenance	-	(517)	-	-	-	(517)
Salaries and other related costs	-	(48,720)	-	(15,658)	-	(64,378)
Staff benefits	-	(706)	-	-	-	(706)
Training expenses	-	(447)	-	-	-	(447)
	(1,030)	(61,119)	-	(18,359)	-	(80,508)
Total expenses	(1,030)	(570,061)	-	(87,138)	(44,306)	(702,535)
(Deficit)/Surplus for the financial year	9,242	(168,188)	-	71,516	(28,241)	(115,671)
Reconciliation of funds:						
At beginning of the financial year	(8,496)	(142,031)	(39,952)	97,260	-	(93,219)
(Deficit)/Surplus for the financial year	9,242	(168,188)	-	71,516	(28,241)	(115,671)
At end of the financial year	746	(310,219)	(39,952)	168,776	(28,241)	(208,890)

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

10. General Fund – Restricted (continued)

Temasek Cares refers to a funding provided by the Agency for Integrated Care ("AIC") for certain charitable costs including staff and related costs. The funding is provided based on actual costs incurred.

Community Intervention Team ("COMIT") refers to a funding provided by the AIC for certain charitable costs including staff and related costs. The funding is provided based on actual costs incurred.

The Designated Donation Fund are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within the wider objects of the Association. This fund is established to finance part of operational costs including staff cost, promotions and publicity expenses.

NCSS Healing Friends refers to a funding from the National Council of Social Service ("NCSS") for certain charitable costs including staff and related costs. The funding is provided based on a fixed quantum and disbursement which is reviewed by NCSS annually.

The Community Resource Engagement and Support Team ("CREST") is funded by AIC to establish a community-based programme which aims to serve a community safety net to reach out to those at risk of or with mental illness.

The Care & Share fund relates to grants received from the Ministry of Social and Family Development ("MSF") for certain qualifying uses which are in line with the objects of the Association.

"MUIS" refers to a Service Level Agreement ("Agreement") between Majlis Ugama Islam Singapura ("MUIS") and the Association to provide counselling services to six full-time Madrasahs in Singapore. Under the terms of the Agreement, the Association is entitled to receive a project grant over three years from January 2018 to June 2020.

The Community Foundation of Singapore ("CFS") provides funding to the Association in accordance with charitable activities and programmes which the Association proposes to undertake. As at the financial year end, the Association has received one grant from CFS for the purpose of peer-to-peer to empowerment programme. The grant was used to defray the salary and related costs of a para counsellor appointed for this programme.

11. Commitments

(i) Operating lease commitments – as lessee

There is no future minimum rental payable under operating leases at the end of the reporting period.

Lease payments recognised as an expense in the statement of financial activities for the financial year amounted to S\$ 34,201 (2017: S\$ 31,998).

(ii) Finance lease commitments

The association has a finance lease arrangement (as lessee) for office equipment (Note 4). The lease has a term of 60 months and the leased asset is pledged as security for the finance lease liability.

At the date of statement of financial position, the future minimum lease payment obligations under finance leases together with the present value of the net minimum lease payments are as follows:

	Total minimum lease payments 2018 S\$	Present value of payments 2018 S\$	Total minimum lease payments 2017 S\$	Present value of payments 2017 S\$
Within one year	1,605	1,414	1,605	1,414
After one year but not more than five years	1,873	1,650	3,478	3,065
Total minimum lease	<u>3,478</u>	<u>3,064</u>	<u>5,083</u>	<u>4,479</u>
Less: Finance charges allocated to future periods	<u>(414)</u>	<u>-</u>	<u>(604)</u>	<u>-</u>
Present value of minimum lease payments	<u>3,064</u>	<u>3,064</u>	<u>4,479</u>	<u>4,479</u>

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2018

12. Related party transactions

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

Except for the related parties transactions on terms agreed between the Association and its related parties as disclosed below, there are no other transactions and arrangements between the Association and related parties.

A related party includes the executive committee members and key management personnel of the Association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes close members of the family or any individuals referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with directly or indirectly, any such individual. The Association has no key management personnel other than management committee members.

Key management's remuneration

During the financial year, there were no remuneration paid to the Association's Executive Committee members.

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

13. Reserve policy

The Management of the Association will perform periodic review of its reserves to ensure that they are adequate to fulfil its continuing obligations. The Association will continue to build its reserves and aim to have reserves of between 2 to 4 times that of its annual operating expenditure.

14. Management of conflict of interest

There is no paid staff in the Association's Executive Committee.

All Executive Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Association may enter into any organizations 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 Executive 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. Authorisation of financial statements

The financial statements of the Association were authorised for issue in accordance with a resolution of the Executive Committee passed on the date of the Statement by Executive Committee.