

COMPASSION FUND LTD.
(Co. Reg. No. 200904371Z)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012

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BAKER TILLY
TFW LLP

Certified Public Accountants



an independent member of
BAKER TILLY
INTERNATIONAL

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2012.

1 Directors

The directors in office at the date of this report are:

Sheryn-Kaye Von Senden
Diane Chi-Yi Siak Palmer
Sharon Tock Tsu-Lin
Chia Oon Su Joy

Ranganayaki D/O K. Thangavelu
Yeo Hui Hong
Kay Mary Taylor
Chan Wai Ming

2 Arrangement to enable directors to acquire benefits

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

3 Directors' contractual benefits

Since the end of the previous financial period no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

4 Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

5 Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors



Sharon Tock Tsu-Lin
Director



Yeo Hui Hong
Director

14 August 2012

COMPASSION FUND LTD.
(A public company limited by guarantee)

STATEMENT BY DIRECTORS

In the opinion of the Directors:

- (i) the financial statements of the Company as set out on pages 5 to 12 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2012 and of the results, changes in funds and cash flows of the Company for the financial year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors



Sharon Tock Tsu-Lin
Director



Yeo Hui Hong
Director

14 August 2012



**BAKER TILLY
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Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COMPASSION FUND LTD.**

(A public company limited by guarantee)

Report on the Financial Statements

We have audited the accompanying financial statements of Compassion Fund Ltd. as set out on pages 5 to 12, which comprise the balance sheet as at 31 March 2012 and the statement of financial activities and statement of cash flows 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 Singapore Companies Act (the "Act"), the Charities Accounting Standards (the "CAS") and the Singapore Charities Act (the "Charities Act"), 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 profit and loss account and balance sheet 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 auditor's judgment, 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COMPASSION FUND LTD. (cont'd)**
(A public company limited by guarantee)

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the CAS and the Charities Act so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results, changes in funds and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

- a) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act; and
- b) the use of donation money is in accordance with the objectives of the Company.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations 2007.

Baker Tilly TFW LLP
Public Accountants and
Certified Public Accountants
Singapore

14 August 2012

COMPASSION FUND LTD.
(A public company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 March 2012

	Note	2012 \$	2011 \$
Income from generated funds			
- Voluntary income	3	63,034	288,734
- Interest income		398	1,227
Other income		-	26
Total income		<u>63,432</u>	<u>289,987</u>
Expenditures			
Cost of generating voluntary income	4	-	18,712
Charitable activities	5	123,812	199,398
Governance costs	6	8,674	6,475
Total expenditures		<u>132,486</u>	<u>224,585</u>
Net (expenditures)/income		<u>(69,054)</u>	<u>65,402</u>
Reconciliation of funds			
Total funds brought forward		<u>636,229</u>	<u>570,827</u>
Total funds carried forward		<u>567,175</u>	<u>636,229</u>

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

COMPASSION FUND LTD.
(A public company limited by guarantee)

BALANCE SHEET
At 31 March 2012

	Note	2012 \$	2011 \$
Current assets			
Other receivables		86	845
Cash and bank balances		167,904	238,620
Fixed deposits	7	402,134	400,976
Total assets		570,124	640,441
Current liabilities			
Other payables		2,949	4,212
Total liabilities		2,949	4,212
Net assets		567,175	636,229
Unrestricted fund			
General Fund		567,175	636,229

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

COMPASSION FUND LTD.
(A public company limited by guarantee)

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2012

	2012 \$	2011 \$
Cash flows from operating activities		
Net (expenditures)/income	(69,054)	65,402
Receivables	759	(365)
Payables	(1,263)	1,932
Cash (used in)/generated from operations	(69,558)	66,969
Cash and cash equivalents at beginning of year	639,596	572,627
Cash and cash equivalents at end of year	570,038	639,596

Cash and cash equivalents comprise:-

Fixed deposits	402,134	400,976
Cash and bank balances	167,904	238,620
	570,038	639,596

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

COMPASSION FUND LTD.

(A public company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2012

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

1 Corporate information

The Company (Co. Reg. No 200904371Z) is incorporated and domiciled in Singapore with its principal place of operations located at 1 Kaki Bukit Road 1, #02-10 Enterprise One, Singapore 415934 and its registered office located at 4 Shenton Way, #17-01 SGX Centre 2, Singapore 068807.

The principal activity of the Company is that of providing social and welfare services for children, youths and families. The Company is registered as a charity under the Charities Act with effect from 28 August 2009 and is approved as an institution of a public character ("IPC").

The Company is limited by its members' guarantee to contribute to the assets of the Company up to \$100 for each member in the event of it being wound up.

2 Summary of significant accounting policies

2.1) Basis of preparation

The financial statements, (expressed in Singapore dollars which is the Company's functional currency), have been prepared in accordance with the provisions of the Singapore Companies Act, the Charities Accounting Standards (the "CAS") and the Charities Act. In the previous financial year, the Company prepared its financial statements in accordance with Singapore Financial Reporting Standards ("SFRS"). The transition from full SFRS to the CAS did not result in any changes to the Company's accounting policy and had no material effect on the reported financial position, financial performance and cash flows of the Company.

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 the CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. There were no significant judgments and estimates made during the financial year.

2 Significant accounting policies (cont'd)

2.2) Revenue recognition

Income is recognised on the following basis:

Donation - when received in cash or when a firm commitment is received before year end and the cash is received before date of report.

Interest - on a time proportion basis over the year of placement of deposits with banks.

Grant - where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Other donation - upon receipt.

2.3) Financial assets

Financial assets comprise of other receivables, fixed deposits and cash and bank balances, which are current in nature and recognised at cost which is the undiscounted amount of cash or other consideration expected to be received, net of impairment. Financial assets are measured at initial recognition at the transaction price.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss.

The allowance amount 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 asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in profit or loss.

2.4) Financial liabilities

Financial liabilities include other payables of a current nature are recognised at cost which is the undiscounted amount of the cash or other consideration expected to be paid.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2.5) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.6) Income taxes

The Company is a registered charity under the Charities Act and is exempted from income tax.

2.7) Provisions

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at each balance sheet date, and are discounted to present value where the effect is material.

2 Significant accounting policies (cont'd)

2.8) Funds

Unless specifically indicated, fund balances are not represented by any specific assets, but are represented by all assets of the Company. Income and expenditure relating to the various funds specifically set up are taken directly to these funds.

All other income and expenditure are reflected in the statement of financial activities.

2.9) Employee benefits

Employee leave entitlement

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

Defined contributions plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee service in current or preceding year. Contributions to national pension schemes are recognised as an expense in which the related service is performed.

2.10) Reserve policy

Reserves shall be built up continuously as much as the Directors shall in their absolute discretion deem necessary to achieve the Company's vision, and accordingly, that it shall not be necessary to set or fix a desired level of reserves. Investment of reserves shall be in Singapore Dollar-denominated bank deposits held with licensed bank/s within Singapore only. The reserves policy will be reviewed from time to time on a need basis and shall be disclosed in the annual report of the Company.

3 Voluntary income

	2012	2011
	\$	\$
Donations	43,391	120,164
Share-A-Meal	10,200	152,780
Government grant	1,873	–
Donation and sponsorship-in-kind	7,570	15,790
	63,034	288,734

Included in voluntary income is donation with tax deductible receipts issued of \$25,749 (2011: \$157,681).

4 Cost of generating voluntary income

	2012 \$	2011 \$
Share-A-Meal	–	2,922
Share-A-Meal expenses sponsored	–	15,790
	<u>–</u>	<u>18,712</u>

5 Charitable activities

	2012 \$	2011 \$
Direct financial assistance	80,894	169,200
Marketing expenses sponsored (for promoting programme)	7,570	–
Short-term employee benefits	35,348	30,198
	<u>123,812</u>	<u>199,398</u>

6 Governance costs

	2012 \$	2011 \$
Equipment expensed off	3,038	–
Others	5,636	6,475
	<u>8,674</u>	<u>6,475</u>

7 Fixed deposits

At the balance sheet date, the fixed deposits bears interest rate of 0.05% (2011: ranged from 0.1% to 0.375%) per annum. The fixed deposits mature 1 (2011: 9) months from the balance sheet date.

8 Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transaction took place between the Company and a related party on terms agreed between the parties:

	2012 \$	2011 \$
Donation received - MILK (Mainly I Love Kids) Fund *	–	78,597
	<u>–</u>	<u>78,597</u>

* The Company and MILK Fund have common board members. MILK Fund provides administrative support including the use of office space, infrastructure support cost including and not limited to communication, printing and stationery, utilities, office equipment as well as staff support to the Company at no cost.

9 Commitments

At the balance sheet date, the Company has approved support to needy families of approximately \$16,780 (2011: \$10,300) that will be disbursed subsequent to the financial year end. The Company has also received a voucher of \$15 during the year that was disbursed to a needy family in July 2011.

10 Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through donations.

11 Transition to the Charities Accounting Standards (the "CAS")

The Company has adopted the CAS for the first time in these financial statements and the date of transition to the CAS was 1 April 2011. The transition from full Singapore Financial Reporting Standards to the CAS did not result in changes to previous financial statements.

11 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2012 were authorised for issue in accordance with a resolution of the directors dated 14 August 2012.