

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

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

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**CONTENTS**

Directors' Statement	1
Independent Auditor's Report	2
Statement of Financial Activities	4
Balance Sheet	5
Statement of Cash Flows	6
Statement of Changes in Funds	7
Notes to the Financial Statements	8

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**BAKER TILLY**  
**TFW**

Baker Tilly TFW LLP  
Chartered Accountants of Singapore

An independent member of Baker Tilly International

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

**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 March 2016.

In the opinion of the directors:

- (i) the financial statements of the Company as set out on pages 4 to 13 are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2016 and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, the Charities Accounting Standards and the Singapore Charities Act; 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.

**Directors**

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

Chan Wai Ming	Ranganayaki D/O K. Thangavelu
Chia Chiu Leng	Sheryn-Kaye von Senden
Chitty Ramanathan Parvathi	Yeo Hui Hong
Kay Mary Taylor	Low Aik Meng

**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.

**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.

**Independent auditor**

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

On behalf of the Directors



Chan Wai Ming  
Director

  
Chia Chiu Leng  
Director

25 July 2016



# BAKER TILLY TFW

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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 4 to 13, which comprise the balance sheet as at 31 March 2016 and the statement of financial activities, statement of changes in funds 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 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 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)

**Report on the Financial Statements (cont'd)**

*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 financial position of the Company as at 31 March 2016 and the financial performance, 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, 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.

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

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



Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

25 July 2016

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**For the financial year ended 31 March 2016**

	Note	2016 \$	(Restated) 2015 \$
<b>Income from generated funds</b>			
- Voluntary income	3	388,964	917,347
- Interest income		28,970	12,557
<b>Other income</b>		10,279	7,476
<b>Total income</b>		428,213	937,380
<b>Expenditures</b>			
Cost of generating voluntary income	4	38,696	7,947
Charitable activities	5	23,365	224,828
Governance costs	6	17,666	7,051
		79,727	239,826
<b>Surplus transferred to General Fund</b>		348,486	697,554
<b>Surplus for Restricted Fund</b>			
Care and Share Matching Grant	9	403,849	6,210
<b>Net surplus and total comprehensive income for the year</b>		752,335	703,764

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 2016**

	Note	2016 \$	(Restated) 2015 \$
<b>Current assets</b>			
Inventories		755	1,585
Interest receivables		7,348	1
Other receivables		15,692	8,097
Fixed deposits	7	2,320,010	1,620,005
Cash and bank balances		301,416	255,980
<b>Total assets</b>		<b>2,645,221</b>	<b>1,885,668</b>
<b>Current liability</b>			
Payables	8	18,226	11,008
<b>Net assets</b>		<b>2,626,995</b>	<b>1,874,660</b>
<b>Funds</b>			
General Fund		2,216,936	1,868,450
Care and Share Matching Grant (Restricted Fund)	9	410,059	6,210
<b>Total Funds</b>		<b>2,626,995</b>	<b>1,874,660</b>

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 2016**

	<b>2016</b>	(Restated)
	\$	2015 \$
<b>Cash flows from operating activities</b>		
Surplus for the year	<b>348,486</b>	697,554
Receivables	<b>(14,942)</b>	(7,064)
Payables	<b>7,218</b>	7,480
Inventories	<b>830</b>	(297)
	<hr/>	<hr/>
Cash generated from operations	<b>341,592</b>	697,673
Net cash generated from Care and Share Matching Grant	<b>403,849</b>	6,210
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>745,441</b>	703,883
<b>Cash and cash equivalents at beginning of year</b>	<b>1,875,985</b>	1,172,102
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>2,621,426</b>	1,875,985
	<hr/>	<hr/>
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	<b>2,320,010</b>	1,620,005
Cash and bank balances	<b>301,416</b>	255,980
	<hr/>	<hr/>
	<b>2,621,426</b>	1,875,985
	<hr/>	<hr/>

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

**COMPASSION FUND LTD.**  
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**STATEMENT OF CHANGES IN FUNDS**  
**For the financial year ended 31 March 2016**

	General Fund \$	Care and Share Matching Grant \$	Total Funds \$
Balance at 1 April 2014	1,170,896	—	1,170,896
Surplus and total comprehensive income for the year	697,554	6,210	703,764
Balance at 31 March 2015	1,868,450	6,210	1,874,660
Surplus and total comprehensive income for the year	348,486	403,849	752,335
<b>Balance at 31 March 2016</b>	<b>2,216,936</b>	<b>410,059</b>	<b>2,626,995</b>

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 2016**

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 and 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**

##### **a) Basis of preparation**

The financial statements, expressed in Singapore dollar 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. 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.

##### **b) 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 Summary of significant accounting policies (cont'd)

### c) Other receivables

Other receivables are measured at initial recognition at transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, other receivables shall be measured at cost less any accumulated impairment losses.

At each balance sheet date, where there is objective evidence that a receivable is impaired, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial activities. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial activities.

### d) Financial liabilities

Financial liabilities, which comprise other payables are initially measured at transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

### e) 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.

### f) Income taxes

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

### g) 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.

### h) Expenditure

#### *Cost of Generating Funds*

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

## 2 Summary of significant accounting policies (cont'd)

### h) Expenditure (cont'd)

#### *Charitable Activities*

Expenditure on charitable activities comprises all costs incurred in undertaking work to meet the charitable objects of the Company. Such costs include the direct costs of the charitable activities of the Company together with those support costs incurred that enable these activities to be undertaken.

#### *Governance Costs*

Governance costs include the costs of governance arrangements, which relate to the general running of the Company as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Governance costs will normally include both direct costs such as internal and external audit, legal advice for governing board members and costs associated with constitutional and statutory requirements, and related support costs which where material, would comprises apportionment of shared and indirect costs involved in supporting the governance activities.

### i) Reserves 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.

### j) Unrestricted Fund

This represents fund received by the Company that are expendable for any activities within the Company at the discretion of the management furtherance of the Company's charitable objectives.

### k) Restricted Fund

Restricted fund is fund subject to specific trusts, which may be declared by the donors or with their authority such as in the literature of a public appeal or created through legal process, but still within the wider objects of the Company.

### l) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Company.

### m) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants for capital expenditure are taken to deferred capital fund account under Restricted Fund. The depreciation of the related property, plant and equipment funded by the grants are taken to the deferred capital fund account over the useful lives of the property, plant and equipment.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

**2 Summary of significant accounting policies (cont'd)****n) Inventories**

Inventories which comprise vouchers are valued at the lower of cost and net realisable value, which cost is determined on first-in, first-out basis method. Net realisable value is the estimated selling price in the ordinary course of operations.

**3 Voluntary income**

	2016 \$	2015 \$
Movenpick Charity Dinner	–	151,000
Portico Charity Auction	39,598	–
Share-A-Meal	179,564	116,731
Share-A-Meal sponsorship-in-kind	14,922	3,920
Donations	143,871	637,456
Other donation and sponsorship-in-kind	11,009	8,240
	<b>388,964</b>	<b>917,347</b>

Included in voluntary income is donation with tax deductible receipts issued of \$121,163 (2015: \$230,730).

**4 Cost of generating voluntary income**

	2016 \$	2015 \$
Movenpick Charity Dinner	–	1,277
Share-A-Meal	5,567	2,750
Share-A-Meal expenses sponsored	14,918	3,920
Portico Charity Auction	15,537	–
Portico Charity Auction expenses sponsored	2,674	–
	<b>38,696</b>	<b>7,947</b>

**5 Charitable activities**

	2016 \$	(Restated) 2015 \$
Direct financial assistance	–	159,700
Other assistance	18,420	27,668
Staff costs and benefits	4,945	37,460
	<b>23,365</b>	<b>224,828</b>

**6 Governance costs**

	2016 \$	2015 \$
Professional fees	5,487	3,696
Others	12,179	3,355
	<b>17,666</b>	<b>7,051</b>

## 7 Fixed deposits

At the balance sheet date, the fixed deposits bear interest rates ranging from 0.05% to 1.90% (2015: 0.05% to 1.35%) per annum. The fixed deposits mature within 1 month to 9 months (2015: 1 month to 12 months) from the balance sheet date.

## 8 Payables

	2016	2015
	\$	\$
Other payables	15,860	2,903
Unearned interest income	2,366	8,105
	<u>18,226</u>	<u>11,008</u>

## 9 Care and Share Matching Grant

The Grant which is given out under the Care and Share movement, is managed by the Ministry of Social and Family Development (“MSF”) and is called the Care and Share Matching Grant.

	2016	(Restated) 2015
	\$	\$
Balance at 1 April	6,210	–
Income	700,521	130,632
Expenditure	(296,672)	(124,422)
Balance at 31 March	<u>410,059</u>	<u>6,210</u>

As per the Variation to the Funding Agreement dated 30 October 2015 (the “Agreement”), this represents a dollar and twenty-five cents for every eligible donation dollar for the first \$1,000,000 and a dollar for every eligible donation dollar for the subsequent \$1,000,000 that the Company raises between 1 December 2013 and 31 March 2016. The Grant shall be used by the Company to develop social service related programmes to better serve the beneficiaries in following areas:

- (i) Capability Building
- (ii) Capacity Building
- (iii) New Initiatives/Expansion of existing services
- (iv) Critical Existing Needs (up to 20% of the Grant)

The Company has up to 31 March 2019 to utilise the Grant.

The Company participates in the Care and Share Matching Grant Scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules. During the financial year, the Grant received amounted to \$700,521 (2015: \$130,632).

## 10 Related party transactions

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

	2016 \$	2015 \$
<b>A registered charity in which a certain director is a board member - MILK (Mainly I Love Kids) Fund (Until 28 September 2015)</b>		
Cost sharing of salary	42,003	—
<b>A company in which the spouse of a certain director is Non-Executive Chairman and Independent Director</b>		
Donation	7,929	—
Governance costs	7,929	—

## 11 Commitments

At the balance sheet date, the Company has approved support to needy families of approximately \$61,055 (2015: \$28,150) that will be disbursed subsequent to the financial year end.

## 12 Governing board members' remuneration and benefits

None of the Company's governing board member nor any close member of the governing board members' family has received any such remuneration, benefits, allowances or other manner of compensation from the Company.

## 13 Comparative figures

A summary of the impact of the prior year adjustments are as follows:

	As previously reported \$	Adjustments \$	As restated \$
<b>Statement of comprehensive income</b>			
<i>For the financial year ended 31 March 2015</i>			
Government grant	130,632	(130,632)	—
Other income	175	7,301	7,476
Charitable activities	341,949	(117,121)	224,828
<b>Balance sheet</b>			
<i>At 31 March 2015</i>			
General Fund	1,874,660	(6,210)	1,868,450
Care and Share Matching Grant (Restricted Fund)	—	6,210	6,210

## 14 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors dated 25 July 2016.