

CLUB HEAL
(UEN: T12SS0028K)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

FADHILLAH GOH & CO
Chartered Accountants, Singapore

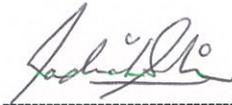
CLUB HEAL
Unique Entity No. T12SS0028K

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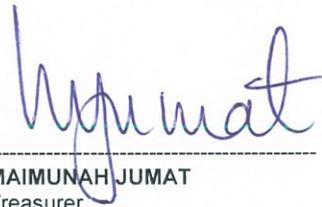
CLUB HEAL
Statement by the Management Committee
For the financial year ended 31 March 2016

In our opinion, the accompanying balance sheet, statement of financial activities and statement of cash flows together with the notes thereon are drawn up so as to exhibit a true and fair view of the financial position of Club Heal ("the Association") as at 31st March 2016, and of the financial transactions of the Association for the financial year ended on that date.

On behalf of the Management Committee,



RADIAH BINTI SALIM
President



MAIMUNAH JUMAT
Treasurer

Date: **15 SEP 2016**

FADHILLAH GOH & CO

Chartered Accountants, Singapore

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Club Heal

Report on the Financial Statements

We have audited the accompanying financial statements of Club Heal (the "Association") which comprise the balance sheet as at 31st March 2016, the statement of financial activities and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation of these financial statements that give a true and fair view in accordance with the provisions of the Societies Act (Chapter 311) Singapore Charities Act, Chapter 37 (The "Charities Act") and Charities Accounting Standard ("CAS"), and devising and maintaining a system of internal accounting control 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 statement of financial activities and balance sheet and to maintain accountability of assets.

Auditors' 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

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

FADHILLAH GOH & CO

Chartered Accountants, Singapore

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INDEPENDENT AUDITOR'S REPORT (Continued)

To the members of
Club Heal

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 16 of the Charities (Institution of a Public Character) Regulations.



FADHILLAH GOH & CO
Public Accountants and
Chartered Accountants

Singapore: **15 SEP 2016**

CLUB HEAL
Balance Sheet
As at 31 March 2016

	Note	2016 S\$	2015 S\$
<u>FUNDS</u>			
Unrestricted general fund	2.7	281,908	253,461
Restricted fund	10	(93,219)	36,274
TOTAL FUNDS		<u>188,689</u>	<u>289,735</u>
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Plant and equipment	4	<u>187,594</u>	<u>41,689</u>
		187,594	41,689
CURRENT ASSETS			
Other receivables	5	5,272	44,703
Cash and cash equivalents		<u>99,711</u>	<u>259,394</u>
		104,983	304,097
<u>LIABILITIES</u>			
NON-CURRENT LIABILITIES			
Hire purchase creditor	7	<u>4,479</u>	<u>5,539</u>
		4,479	5,539
CURRENT LIABILITIES			
Other payables	6	97,995	49,098
Hire purchase creditor	7	1,414	1,414
		<u>99,409</u>	<u>50,512</u>
NET CURRENT ASSETS		<u>5,574</u>	<u>253,585</u>
NET ASSETS		<u>188,689</u>	<u>289,735</u>

The accompany accounting policies and explanatory notes form an integral part of the financial statements.

CLUB HEAL
Statement of Financial Activities
For the financial year ended 31 March 2016

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	General	Fund		General	Fund	
	Fund	(Note 10)	S\$	Fund	(Note 10)	S\$
S\$	S\$	S\$	S\$	S\$	S\$	
INCOME						
Income from generated funds						
Grants	4,800	186,456	191,256	98,194	255,258	353,452
Wakaf collection	10,000	-	10,000	10,000	-	10,000
Donation - Non-tax deductible	84,442	-	84,442	136,427	-	136,427
Donations - Tax deductible	124,915	-	124,915	60,189	-	60,189
	<u>224,157</u>	<u>186,456</u>	<u>410,613</u>	<u>304,810</u>	<u>255,258</u>	<u>560,068</u>
Income from fundraising activities						
Café @ BBE	-	-	-	1,105	-	1,105
Thrift shops	3,583	-	3,583	7,468	-	7,468
	<u>3,583</u>	<u>-</u>	<u>3,583</u>	<u>8,573</u>	<u>-</u>	<u>8,573</u>
Income from charitable activities						
Entrance fee	355	-	355	290	-	290
Membership fees	50	-	50	-	-	-
Sale of books	11,532	-	11,532	14,800	-	14,800
Thrift shops	16,066	-	16,066	3,148	-	3,148
Training fees	1,904	-	1,904	8,849	-	8,849
	<u>29,907</u>	<u>-</u>	<u>29,907</u>	<u>27,087</u>	<u>-</u>	<u>27,087</u>
Other income						
Special employment credit	3,666	-	3,666	3,839	-	3,839
Others	75,475	-	75,475	4,558	-	4,558
	<u>79,141</u>	<u>-</u>	<u>79,141</u>	<u>8,397</u>	<u>-</u>	<u>8,397</u>
Total income	<u>336,788</u>	<u>186,456</u>	<u>523,244</u>	<u>348,867</u>	<u>255,258</u>	<u>604,125</u>
EXPENSES						
Cost of generated funds						
Bank charges	(326)	-	(326)	(58)	-	(58)
Cost of sale of books	(6,925)	-	(6,925)	(6,644)	-	(6,644)
Disposal of non-current assets	(147)	-	(147)	-	-	-
Depreciation of plant and equipment	-	-	-	(639)	-	(639)
Office supplies	(315)	-	(315)	(655)	-	(655)
Printing and stationery	(924)	(608)	(1,532)	(699)	-	(699)
Refreshments	-	-	-	(1,002)	-	(1,002)
Salaries and related costs	(732)	-	(732)	(732)	-	(732)
Transport expenses	(150)	-	(150)	-	-	-
	<u>(9,519)</u>	<u>(608)</u>	<u>(10,127)</u>	<u>(10,429)</u>	<u>-</u>	<u>(10,429)</u>
Fundraising activities						
Thrift shops	-	-	-	(3,117)	-	(3,117)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,117)</u>	<u>-</u>	<u>(3,117)</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CLUB HEAL
Statement of Financial Activities
For the financial year ended 31 March 2016

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	General	Fund		General	Fund	
	Fund	(Note 10)	S\$	Fund	(Note 10)	S\$
S\$	S\$	S\$	S\$	S\$	S\$	
EXPENSES (Continued)						
Cost of charitable activities						
Allowances for volunteers/intens	(1,300)	(6,868)	(8,168)	(2,582)	(3,088)	(5,670)
CPF and SDL charges	(16,400)	(41,922)	(58,322)	(19,713)	(26,634)	(46,347)
Depreciation of plant and equipment	(1,048)	-	(1,048)	(5,110)	-	(5,110)
Discounts given	-	-	-	(475)	-	(475)
Empowerment programme	(22,388)	(213)	(22,601)	(34,484)	-	(34,484)
Miscellaneous	(4,303)	-	(4,303)	(482)	-	(482)
Office supplies	(420)	(253)	(673)	(59)	-	(59)
Printing	233	(541)	(308)	(1,758)	(647)	(2,405)
Refreshments	(2,099)	(169)	(2,268)	(2,372)	-	(2,372)
Rehabilitation expenses	(14,781)	(2,717)	(17,498)	(6,776)	-	(6,776)
Rental of premise	(50)	-	(50)	(209)	-	(209)
Salaries and bonus	(100,269)	(254,068)	(354,337)	(62,533)	(250,197)	(312,730)
Staff benefits	(639)	(882)	(1,521)	(3,841)	(638)	(4,479)
Staff training	(6,373)	(2,254)	(8,627)	(4,022)	(2,296)	(6,318)
Telecommunications	(1,741)	(1,714)	(3,455)	(1,221)	(925)	(2,146)
Transportation	(4,716)	(2,134)	(6,850)	(3,239)	(1,366)	(4,605)
	<u>(176,294)</u>	<u>(313,735)</u>	<u>(490,029)</u>	<u>(148,876)</u>	<u>(285,791)</u>	<u>(434,667)</u>
Governance and other administrative costs						
Audit fee	(5,460)	(1,000)	(6,460)	(5,000)	-	(5,000)
Bank charges	(255)	-	(255)	(108)	-	(108)
Hire purchase interest	(143)	-	(143)	(16)	-	(16)
CPF and SDL charges	(12,022)	-	(12,022)	(4,564)	-	(4,564)
Depreciation of plant and equipment	(27,997)	-	(27,997)	(639)	-	(639)
Networking	-	-	-	(30)	-	(30)
Office supplies	(10)	-	(10)	(470)	-	(470)
Printing and stationery	(62)	-	(62)	(83)	-	(83)
Publicity	(2,000)	(289)	(2,289)	-	-	-
Refreshments	(147)	-	(147)	(6)	-	(6)
Rental of premises	(180)	-	(180)	(3,852)	-	(3,852)
Repair and maintenance	(366)	(317)	(683)	(385)	-	(385)
Salaries and other related costs	(69,680)	-	(69,680)	(27,527)	-	(27,527)
Staff benefits	(83)	-	(83)	(125)	-	(125)
Subscription	(401)	-	(401)	-	-	-
Sundry expenses	(399)	-	(399)	(397)	-	(397)
Training expenses	(1,948)	-	(1,948)	-	-	-
Telecommunications	(1,303)	-	(1,303)	(2,443)	-	(2,443)
Utilities	(72)	-	(72)	(3,460)	-	(3,460)
	<u>(122,528)</u>	<u>(1,806)</u>	<u>(124,134)</u>	<u>(49,105)</u>	<u>-</u>	<u>(49,105)</u>
Total expenses	<u>(308,341)</u>	<u>(315,949)</u>	<u>(624,290)</u>	<u>(211,527)</u>	<u>(285,791)</u>	<u>(497,318)</u>
(Deficit)/surplus for the financial year	<u>28,447</u>	<u>(129,493)</u>	<u>(101,046)</u>	<u>137,340</u>	<u>(30,533)</u>	<u>106,807</u>
Reconciliation of funds:						
At beginning of the financial year	253,461	36,274	289,735	116,121	66,807	182,928
(Deficit)/Surplus for the financial year	28,447	(129,493)	(101,046)	137,340	(30,533)	106,807
At end of the financial year	<u>281,908</u>	<u>(93,219)</u>	<u>188,689</u>	<u>253,461</u>	<u>36,274</u>	<u>289,735</u>

The accompany accounting policies and explanatory notes form an integral part of the financial statements.

CLUB HEAL
Statement of Cash Flows
For the financial year ended 31 March 2016

	Note	2016 S\$	2015 S\$
OPERATING ACTIVITIES			
(Deficit)/Surplus for the financial year		(101,046)	106,807
ADJUSTMENTS FOR:			
Depreciation of plant and equipment	4	29,046	6,388
Loss on disposal of plant and equipment		147	-
OPERATING (DEFICIT)/SURPLUS BEFORE WORKING CAPITAL CHANGES		<u>(71,853)</u>	<u>113,195</u>
CHANGES IN WORKING CAPITAL			
Other receivables		39,431	(43,737)
Other payables		48,897	19,390
NET CHANGE IN WORKING CAPITAL NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		<u>88,328</u>	<u>(24,347)</u>
		<u>16,475</u>	<u>88,848</u>
INVESTING ACTIVITIES			
Purchase of plant and equipment		(175,098)	(25,506)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		<u>(175,098)</u>	<u>(25,506)</u>
FINANCING ACTIVITIES			
Repayment of hire purchase creditors		(1,060)	(117)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		<u>(1,060)</u>	<u>(117)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(159,683)	63,225
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>259,394</u>	<u>196,169</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>99,711</u></u>	<u><u>259,394</u></u>

The accompany accounting policies and explanatory notes form an integral part of the financial statements.

CLUB HEAL
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

Club Heal (the "Association") (UEN T12SS0028K) is an Association registered under the Societies Act (Chapter 311) in Singapore. 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 February 2015 to 4 August 2016, and this was subsequently renewed to 31 October 2017.

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; and
- (iv) To provide comprehensive, integrated centre- and home-based services to support the elderly and those requiring palliative care.
- (iv) To work with relevant government agencies and other stakeholders on all matters pertaining to services provided by the Association and its Members.

The financial statements for the financial year ended 31st March 2016 were authorised for issue by the Management Committee passed on the date of the Statement by Management Committee.

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.

The financial statements are presented in Singapore dollars (S\$), which is also the functional currency of the Association. Functional currency is the currency of the primary economic environment in which the Association operates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation. The cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition or production of a qualifying plant and equipment. 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.

When significant parts of plant and equipment are required to be replaced in intervals, the Association recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis so as to write off the cost of the plant and equipment over their estimated useful lives, which are as follows: -

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset is included in the statement of financial activities in the financial year the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

2.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank, fixed deposit and cash on hand.

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.

The amount of the allowance is the difference between the 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. The amount of the allowance for impairment is recognized in the statement of financial activities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Funds Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Association that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Association. Unrestricted funds are expendable at the discretion of the Management Committee in furtherance of the Association's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

2.8 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.

2.9 Other payables

Other payables are recognized 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.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 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 financial 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.

2.11 Recognition of Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment.

Donations, are recognized as income when received.

Income from fund-raising events and projects is recognized when the events take place.

The Association derives a substantial proportion of its income from voluntary cash donations. Because of the nature of these donations, the Association cannot provide accounting controls over contributions prior to the initial entry in the accounting records.

2.12 Expenditure

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

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.

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.

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.

2.13 Leases – as Lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly in an arrangement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Leases – as Lessee (Continued)

Finance leases which transfer to the Association substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Association will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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).
 - (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.

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

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.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial period.

4 PLANT AND EQUIPMENT

	<u>Centre Improvements</u> S\$	<u>Furniture and Fittings</u> S\$	<u>Office Equipment</u> S\$	<u>Computer Equipment</u> S\$	<u>Other Equipment</u> S\$	<u>Total</u> S\$
<u>COST</u>						
At 1.4.2014	14,464	988	1,364	3,165	-	19,981
Additions	17,114	235	7,670	7,557	-	32,576
<hr/>						
At 31.3.2015 and 1.4.2015	31,578	1,223	9,034	10,722	-	52,557
Additions	151,570	1,835	1,458	13,615	7,000	175,098
Disposals	-	-	(368)	-	-	(368)
<hr/>						
At 31.3.2016	182,768	3,058	10,124	24,337	7,000	227,287
<hr/>						
<u>ACCUMULATED DEPRECIATION</u>						
At 1.4.2014	3,616	103	342	419	-	4,480
Depreciation charge	3,748	237	363	2,040	-	6,388
<hr/>						
At 31.3.2015 and 1.4.2015	7,364	340	705	2,459	-	10,868
Depreciation charge	21,891	368	1,789	3,950	1,048	29,046
Disposals	-	-	(221)	-	-	(221)
<hr/>						
At 31.3.2016	29,255	708	2,273	6,409	1,048	39,693
<hr/>						
<u>NET CARRYING VALUE</u>						
At 31.3.2016	153,513	2,350	7,851	17,298	5,952	187,594
<hr/>						
At 31.3.2015	24,214	883	8,329	8,263	-	41,689
<hr/>						

As at the Balance Sheet date, the carrying amount of plant and equipment held under finance lease was S\$ 5,656 (2015: S\$ 7,070).

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

5 OTHER RECEIVABLES

	2016 S\$	2015 S\$
Deposits	3,630	715
Grant receivable	-	31,300
Training fees receivable	-	8,849
Others	1,642	3,839
	-----	-----
	5,272	44,703
	=====	=====

6 OTHER PAYABLES

	2016 S\$	2015 S\$
Accruals	19,466	43,817
Loan from the President of the Management Committee	30,000	-
Others	48,529	5,281
	-----	-----
	97,995	49,098
	=====	=====

The loan from the President of the Management Committee is unsecured, interest free and repayable on demand.

7 HIRE PURCHASE CREDITORS

The Centre has finance leases for certain items of plant and equipment. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Total minimum lease payments 2016 S\$	Present value of payments 2016 S\$	Total minimum lease payments 2015 S\$	Present value of payments 2015 S\$
<u>Current:</u>				
Within one year	1,605	1,414	1,605	1,414
<u>Non-current:</u>				
After one year but not more than five years	5,083	4,479	6,286	5,539
	-----	-----	-----	-----
Total minimum lease payments	6,688	5,893	7,891	6,953
Less: Amounts Representing finance charges	(795)	-	(938)	-
	-----	-----	-----	-----
Present value of minimum lease payments	5,893	5,893	6,953	6,953
	=====	=====	=====	=====

The obligation is secured by a charge over the leased asset (see Note 4).

8 TAX-DEDUCTIBLE RECEIPTS

During the financial year, the Association issued tax-deductible receipts for donations amounting to S\$ 124,915 (2015: S\$ 60,189).

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

9 INCOME TAX

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.

10 RESTRICTED FUNDS

Restricted funds are depicted as follows:

	2016				Total S\$
	Temasek Cares S\$	COMIT S\$	Mindset (Designated Donation) S\$	NCSS Healing Friends S\$	
INCOME					
Income from generated funds					
Grants	74,416	-	-	112,040	186,456
	<u>74,416</u>	<u>-</u>	<u>-</u>	<u>112,040</u>	<u>186,456</u>
Total income	74,416	-	-	112,040	186,456
EXPENSES					
Cost of generated funds					
Printing and stationery	-	(608)	-	-	(608)
	<u>-</u>	<u>(608)</u>	<u>-</u>	<u>-</u>	<u>(608)</u>
Cost of charitable activities					
Allowances for volunteers/intens	-	-	-	(6,868)	(6,868)
CPF and SDL charges	(11,640)	(18,438)	(5,515)	(6,328)	(41,921)
Empowerment programme	-	-	(33)	(180)	(213)
Office supplies	-	(186)	-	(68)	(254)
Printing	(187)	(353)	-	-	(540)
Refreshments	-	-	-	(169)	(169)
Rehabilitation expenses	-	(2,717)	-	-	(2,717)
Salaries and bonus	(68,651)	(113,824)	(34,907)	(36,687)	(254,069)
Staff benefits	-	(882)	-	-	(882)
Staff training	(1,147)	(1,107)	-	-	(2,254)
Telecommunications	(298)	(1,416)	-	-	(1,714)
Transportation	-	(1,894)	-	(240)	(2,134)
	<u>(81,923)</u>	<u>(140,817)</u>	<u>(40,455)</u>	<u>(50,540)</u>	<u>(313,735)</u>
Governance and other administrative costs					
Audit fee	(1,000)	-	-	-	(1,000)
Publicity	-	(289)	-	-	(289)
Repair and maintenance	-	(317)	-	-	(317)
	<u>(1,000)</u>	<u>(606)</u>	<u>-</u>	<u>-</u>	<u>(1,606)</u>
Total expenses	(82,923)	(142,031)	(40,455)	(50,540)	(315,949)
(Deficit)/surplus for the financial year	(8,507)	(142,031)	(40,455)	61,500	(129,493)
Reconciliation of funds:					
At beginning of the financial year	11	-	503	35,760	36,274
(Deficit)/Surplus for the financial year	(8,507)	(142,031)	(40,455)	61,500	(129,493)
At end of the financial year	<u>(8,496)</u>	<u>(142,031)</u>	<u>(39,952)</u>	<u>97,260</u>	<u>(93,219)</u>

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

10 RESTRICTED FUNDS (Continued)

	2015				Total S\$
	Temasek <u>Cares</u> S\$	<u>COMIT</u> S\$	Mindset (Designated Donation) S\$	NCSS Healing Friends S\$	
INCOME					
Income from generated funds					
Grants	195,858	-	-	59,400	255,258
	195,858	-	-	59,400	255,258
Total income	195,858	-	-	59,400	255,258
EXPENSES					
Cost of charitable activities					
Allowances for volunteers/intens	-	-	-	(3,088)	(3,088)
CPF and SDL charges	(10,070)	-	(16,564)	-	(26,634)
Printing	(647)	-	-	-	(647)
Salaries and bonus	(118,515)	-	(111,562)	(20,120)	(250,197)
Staff benefits	(382)	-	-	(256)	(638)
Staff training	(2,120)	-	-	(176)	(2,296)
Telecommunications	(925)	-	-	-	(925)
Transportation	(1,366)	-	-	-	(1,366)
	(134,025)	-	(128,126)	(23,640)	(285,791)
Total expenses	(134,025)	-	(128,126)	(23,640)	(285,791)
(Deficit)/surplus for the financial year	61,833	-	(128,126)	35,760	(30,533)
<u>Reconciliation of funds:</u>					
At beginning of the financial year	(61,822)	-	128,629	-	66,807
(Deficit)/Surplus for the financial year	61,833	-	(128,126)	35,760	(30,533)
At end of the financial year	11	-	503	35,760	36,274

Temasek Cares refers to a funding provided by the Agency for Integrated Care which is restricted in use for certain charitable costs including staff and related costs. The funding is provided based on actual costs incurred.

COMIT refers to a funding provided by the Agency for Integrated Care which is restricted in use 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) which is restricted in use 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.

11 OPERATING LEASE COMMITMENTS – AS LESSEE

There are 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\$ 7,706 (2015: S\$ 4,061).

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

12 CAPITAL COMMITMENTS

Capital expenditure contracted for as at the statement of financial position date but not recognised in the financial statements is as follows:

	2016 S\$	2015 S\$
Capital commitment in respect of plant and equipment	-	25,670
	=====	=====

13 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.

Key management's remuneration

A related party includes the management 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 Management Committee members.

Number of key management whose remuneration was in the \$ 100,000 band and above is Nil (2015: Nil).

All management committee members and staff of the Association are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holdings that could potentially result in conflict of interests. When conflict of interest situation arises, the members of staff shall abstain from participating in the discussion, decision making and voting on the matters.

14 RESERVE POLICY

The Association is in the process of formulating its reserve policy. In the interim, the Management performs monthly reviews on the amount of reserves remaining to ensure that they are adequate to fulfil the continuing obligations of the Association.

15 MANAGEMENT OF CONFLICT OF INTEREST

There is no paid staff in 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 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 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.

CLUB HEAL
Notes to the Financial Statements
For the financial year ended 31 March 2016

16 Comparative figures

Reclassification

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements. These reclassifications do not have any impact on the financial results of the Association. The following reclassifications were made:

<u>2015 Statement of financial activities</u>	As previously reported \$	Adjustments \$	As reclassified \$
Grants			
- Unrestricted General Fund	157,594	(59,400)	98,194
- Restricted Fund	195,858	59,400	255,258
Total Grants	353,452	-	353,452
Cost of charitable activities			
Allowances for volunteers/interns			
- Unrestricted General Fund	(5,670)	3,088	(2,582)
- Restricted Fund	-	(3,088)	(3,088)
Total Allowances for volunteers/interns	(5,670)	-	(5,670)
Staff benefits			
- Unrestricted General Fund	(4,097)	256	(3,841)
- Restricted Fund	(382)	(256)	(638)
Total Staff benefits	(4,479)	-	(4,479)
Staff training			
- Unrestricted General Fund	(4,198)	176	(4,022)
- Restricted Fund	(2,120)	(176)	(2,296)
Total Staff training	(6,318)	-	(6,318)