

**ALIFE LTD.**

*Company Registration Number: 200204369H*

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2018

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**ALIFE LTD.**

*Company Registration Number: 200204369H*

**DIRECTORS' STATEMENT**

*For the financial year ended 30 June 2018*

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The directors present their statement to the members together with the audited financial statements of ALIFE LTD. (the "Company") for the financial year ended 30 June 2018.

**1 OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (i) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2018 and 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, Chapter 50 and the Singapore Charities Act, Chapter 37 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.

**2 DIRECTORS**

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

Dr. Peter Chew Chee Tong  
Wong Siew Yan  
Dr. Gamaliel Tan Yu-Heng  
Raphael Lee Chin-Hong

Under Article 7 of its Articles of Association, the members of the Company guarantee to contribute a sum not exceeding \$2 per member to the assets of the Company in the event of it being wound up.

As at 30 June 2018, the Company has 3 members (2017: 3 members)

**3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

The Company is limited by guarantee and has no share capital. As such, none of the directors holding office at the end of the financial year are a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares and debentures of the Company or any other body corporate.

**4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

As the Company is limited by guarantee and has no share capital, none of the directors holding office at the end of the financial year had an interest in the Company or any other related corporation at the beginning of the financial year, or at the date of appointment if later, or at the end of the financial year.

**5 SHARE OPTIONS**

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.

**ALIFE LTD.**

*Company Registration Number: 200204369H*

**DIRECTORS' STATEMENT**

*For the financial year ended 30 June 2018*

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**6 AUDITORS**

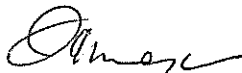
The auditors, Helmi Talib & Co have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



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**CHEW CHEE TONG**  
Director



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**WONG SIEW YAN**  
Director

Date: 12 October 2018



*Helmi Talib & Co*

Chartered Accountants of Singapore  
An Independent Member Firm of IAPA



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

***Report on the Audit of the Financial Statements***

*Opinion*

We have audited the financial statements of ALIFE LTD. (the "Company"), which comprise the statement of financial position of the Company as at 30 June 2018, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 June 2018 and of the financial performance, changes in funds and cash flows of the Company for the financial year 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 Company 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 pages 1 to 2.

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 Management and Those Charged with Governance 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 Companies Act, the Charities Act and Regulations 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 statements and to maintain accountability of assets.

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

Those charged with governance comprises the directors and their responsibilities include overseeing the Company's financial reporting process.

*Auditors' 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Company'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 Company 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 those charged with governance 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 to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

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

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



**HELMI TALIB & CO**  
Public Accountants and  
Chartered Accountants

Singapore

Date: 12 October 2018

Partner-in-charge : Suriyati binti Mohamed Yusof  
PAB No. : 01627

**ALIFE LTD.**

Company Registration Number: 200204369H

**STATEMENT OF FINANCIAL POSITION**

For the financial year ended 30 June 2018

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	Note	<u>2018</u> SGD	<u>2017</u> SGD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	6	14,226	9,699
Total non-current assets		<u>14,226</u>	<u>9,699</u>
<b>Current Assets</b>			
Other receivables	7	9,516	2,488
Cash and cash equivalents	8	560,225	751,201
Total current assets		<u>569,741</u>	<u>753,689</u>
<b>TOTAL ASSETS</b>		<u>583,967</u>	<u>763,388</u>
<b>LIABILITIES AND FUNDS</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	9	22,342	29,814
Total current liabilities		<u>22,342</u>	<u>29,814</u>
<b>Total Liabilities</b>		<u>22,342</u>	<u>29,814</u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
General fund		1,447,085	1,287,447
Total unrestricted funds		<u>1,447,085</u>	<u>1,287,447</u>
<b>Restricted funds</b>			
Caterpillar Club Fund	10(a)	18,684	21,767
Care and Share Matching Grant	10(b)	(904,144)	(575,640)
Total restricted funds		<u>(885,460)</u>	<u>(553,873)</u>
<b>Total Funds</b>		<u>561,625</u>	<u>733,574</u>
<b>TOTAL LIABILITIES AND FUNDS</b>		<u>583,967</u>	<u>763,388</u>

The accompanying notes form an integral part of these financial statements



**ALIFE LTD.**

Company Registration Number: 200204369H

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 30 June 2018

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		2018		2017
	Note	Unrestricted Funds SGD	Restricted Funds SGD	Total Funds SGD
<b><u>INCOME</u></b>				
<i>Income from generated fund</i>				
Voluntary income		203,587	200	203,787
Investment income		3,181	-	3,181
		<u>206,768</u>	<u>200</u>	<u>206,968</u>
<i>Income from charitable activities</i>				
Charitable income		42,098	-	42,098
<b>TOTAL INCOME</b>		<u>248,866</u>	<u>200</u>	<u>249,066</u>
<b><u>EXPENDITURES</u></b>				
Cost of generating fund		(1,379)	(11,307)	(12,686)
Cost of charitable activities		(84,349)	(320,480)	(404,829)
Governance costs		(3,500)	-	(3,500)
<b>TOTAL EXPENDITURES</b>		<u>(89,228)</u>	<u>(331,787)</u>	<u>(421,015)</u>
<b>NET (EXPENDITURE) INCOME FOR THE FINANCIAL YEAR</b>	5	<u>159,638</u>	<u>(331,587)</u>	<u>(171,949)</u>

The accompanying notes form an integral part of these financial statements

**ALIFE LTD.***Company Registration Number: 200204369H***STATEMENT OF CHANGES IN FUNDS***For the financial year ended 30 June 2018*

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	<u>Unrestricted Funds</u>		<u>Restricted Funds</u>		
	<u>General Fund</u> SGD	<u>Caterpillar Club Fund</u> SGD	<u>Care and Share Matching Grant</u> SGD	<u>Total Restricted Funds</u> SGD	<u>Total Funds</u> SGD
Balance as at 30 June 2016	1,170,894	28,461	(287,018)	(258,557)	912,337
Net (expenditure) income for the financial year	116,553	(6,694)	(288,622)	(295,316)	(178,763)
Balance as at 30 June 2017	<u>1,287,447</u>	<u>21,767</u>	<u>(575,640)</u>	<u>(553,873)</u>	<u>733,574</u>
Net (expenditure) income for the financial year	159,638	(3,083)	(328,504)	(331,587)	(171,949)
Balance as at 30 June 2018	<u>1,447,085</u>	<u>18,684</u>	<u>(904,144)</u>	<u>(885,460)</u>	<u>561,625</u>

The accompanying notes form an integral part of these financial statements

**ALIFE LTD.**

Company Registration Number: 200204369H

**STATEMENT OF CASH FLOWS**

For the financial year ended 30 June 2018

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	Note	<u>2018</u> SGD	<u>2017</u> SGD
<b>Cash flows from operating activities</b>			
Net expenditure for the financial year		(171,949)	(178,763)
<b>Adjustments for</b>			
Depreciation of plant and equipment		16,815	10,955
Impairment loss written-off		960	-
Allowance for impairment loss		-	1,100
Amortisation of held-to-maturity premium		-	96
Interest income		(3,181)	(3,802)
Total adjustments to net expenditure		<u>14,594</u>	<u>8,349</u>
Total operating cash flows before changes in working capital		<u>(157,355)</u>	<u>(170,414)</u>
<b>Changes in working capital</b>			
(Increase)/Decrease in other receivables		(7,988)	48,665
Decrease in other payables		(7,472)	(46,550)
Total changes in working capital		<u>(15,460)</u>	<u>2,115</u>
Net cash flows used in operating activities		<u>(172,815)</u>	<u>(168,299)</u>
<b>Cash flows from investing activities</b>			
Interest received		3,181	3,802
Proceeds from investment upon maturity		-	250,000
Purchase of plant and equipment		(21,342)	-
Net cash flows (used in)/generated from investing activities		<u>(18,161)</u>	<u>253,802</u>
Net (decrease)/increase in cash and cash equivalents		(190,976)	85,503
Cash and cash equivalents at beginning of financial year		751,201	665,698
Cash and cash equivalents at end of financial year	8	<u>560,225</u>	<u>751,201</u>
<b>Net cash flows</b>			
Net cash flows used in operating activities		<u>(172,815)</u>	<u>(168,299)</u>
Net cash flows (used in)/generated from investing activities		<u>(18,161)</u>	<u>253,802</u>

The accompanying notes form an integral part of these financial statements

**ALIFE LTD.**

*Company Registration Number: 200204369H*

## **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2018*

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

### **1 COMPANY INFORMATION**

Alife Ltd. (the "Company") is a public company limited by guarantee and incorporated in the Republic of Singapore on 21 May 2002.

The Company is an approved charity under the Charities Act, Chapter 37 since 27 November 2002, and has been accorded the status of an Institution of Public Character ("IPC") for the period from 12 February 2015 to 28 February 2017. The Company has renewed its IPC status with effect from 23 March 2017 to 22 December 2018. The registration number is IPC000698.

The registered office and principal place of business of the Company is at 308 Shunfu Road, #01-165 Singapore 507308.

The principal activities of the Company are to provide education, counselling and medical assistance to couples considering alternatives to pregnancy terminations, to promote, generate, foster, develop and inculcate awareness of alternatives to pregnancy terminations through appropriate educational and community outreach programmes and to train individuals to be counsellors and members of support group for couples considering alternatives to pregnancy terminations.

There have been no significant changes in the nature of the activities during the financial year.

The financial statements of the Company for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors as at the date of Directors' Statement.

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Companies Act (Chapter 50) (the "Act"), the Charities Act (Chapter 37) and Singapore Financial Reporting Standards ("FRS").

In lieu of a statement of comprehensive income in compliance with FRS, as allowed by the Charities Act, the Company has elected to follow the presentation format of a statement of financial activities as required by the Charities Accounting Standards.

The financial statements are expressed in Singapore Dollars ("S" or "SGD"), which is the Company's functional currency.

#### **2.2 Changes in accounting policies**

On 1 July 2017, the Company adopted the new and amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

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

**ALIFE LTD.**

Company Registration Number: 200204369H

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.3 Standards issued but not yet effective**

The Company has not adopted the following standards that have been issued but not yet effective:

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2018
Amendments to FRS 115	: Effective Date of FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018 1 January 2018
INT FRS 122	: Foreign Currency Transactions and Advance Considerations	1 January 2018
FRS 116	: Leases	1 January 2019
INT FRS 123	: Uncertainty over Income Tax Treatments	1 January 2019

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

**2.4 Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any impairment. The cost of plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the plant and equipment to working condition for its intended use. Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expense are recognised in the statement of financial activities when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Office equipment	- 3 years
Computer equipment	- 1-3 years
Renovation	- 3 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.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect to the assets.

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.5 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in statement of financial activities whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or impairment, if no impairment loss had been recognised. All reversals of impairment are recognised in statement of financial activities.

**2.6 Financial instruments**

*(a) Financial assets*

*(i) Initial recognition and measurement*

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

*(ii) Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

*Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the loans and receivables are de-recognised or impaired, and through the amortisation process.

The Company classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- trade and other receivables

*(iii) De-recognition*

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in statement of financial activities.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.6 Financial instruments (Continued)**

*(a) Financial assets (Continued)*

*(iv) Regular way purchase and sale of financial asset*

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

*(b) Financial liabilities*

*(i) Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities plus, directly attributable transaction costs.

*(ii) Subsequent measurement*

*Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are de-recognised, and through the amortisation process. Financial liabilities relate mainly to other payables.

*(iii) De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of financial activities.

*(c) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.7 Cash and cash equivalents**

Cash and cash equivalents comprise of cash on hand and bank balance and fixed deposits. Cash carried in the statement of financial position is classified and accounted for as loans and receivables under FRS 39.

**2.8 Impairment of financial assets**

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

*Assets carried at amortised cost*

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristic and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of financial activities.

When the financial asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance amount, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in statement of financial activities.

**2.9 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably. Where the Company expects some or all of the provision to be reimbursed, the reimbursement is virtually certain. The expense relating to any provision is presented in statement of financial activities net of any reimbursement.



**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2.9 Provisions (Continued)**

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 resources embodying economic benefits 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 a current pre-tax rate that reflects, where appropriate, the risks 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.

**2.10 Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

*(a) Donations / Sponsorship*

Income from donations / sponsorship is accounted for when received, except for committed donations that are recorded when the commitments are signed.

*(b) 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.

*(c) Rendering of services*

Income from providing services such as counselling services, seminars and workshops is recognised when services are rendered.

*(d) Interest income*

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

**2.11 Employee benefits**

*(a) Defined contribution plan*

As required by law, the Company makes contribution to the state pension schemes, the Central Provident Fund ("CPF"). Such contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

*(b) Employee leave entitlement*

The Company grants fixed entitlements of annual leave to its employees at the beginning of the financial year. Any unused annual leave as at year-end can only be carried forwarded to the following financial year. At the end of the next financial year, the unused leave will then be forfeited. The Company does not encash unutilised leave.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2.12 Funds

(a) *Unrestricted Fund*

Unrestricted fund comprise general fund. General fund is used for the general purposes of the Company as set out in its governing document. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Board of Directors' discretion to apply the fund.

The Company classifies its General fund as unrestricted fund.

(b) *Restricted Fund*

Restricted funds are funds subject to specific funded programmes by government, charity bodies and donors, but still within the wider objects of the Company.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds whereas unrestricted fund can be used in a manner the Company sees fit in achieving its institutional purposes.

The Company classifies the following funds as restricted fund:

- Caterpillar Club Fund
- Care and Share Grant

Care and Share Grant

Integral to the SG50 Celebration, National Council of Social Service initiated the Care and Share movement – a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by Volunteer Welfare Organisations ("VWO") from 1 December 2013 to 31 December 2016 is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

The grant quantum was enhanced in 2015. It was increased to 1.25 times matching for first \$1 million donations received followed by a dollar matched for next \$1 million. Overall matching by the Government is capped at \$2.25 million for the \$2 million raised by VWO within the qualifying period. The utilisation of grant expires on 31 December 2019.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The Company made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)****3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Useful lives of plant and equipment*

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 30 June 2018 is disclosed in Note 6.

**4 RELATED PARTY DISCLOSURES**

The related party transactions are between the Company and its directors and the effect of these transactions are reflected in the financial statements on the basis determined between the parties. The related party balances are unsecured, non-interest bearing and repayable on demand unless otherwise stated.

*(a) Significant related party transactions*

	<u>2018</u> \$	<u>2017</u> \$
<i><u>Managing Director, Dr. Peter Chew Chee Tong</u></i> Donation received	<u>17,800</u>	<u>5,852</u>
<i><u>Director, Lee Chin Hong</u></i> Donation received	<u>5,000</u>	<u>-</u>
<i><u>Director, Tan Yu-Heng</u></i> Donation received	<u>4,200</u>	<u>-</u>
<i><u>Director, Celso P. Ocampo</u></i> Donation received	<u>-</u>	<u>100</u>

*(b) Remuneration of key management personnel*

	<u>2018</u> \$	<u>2017</u> \$
Salaries and other short-term benefits	49,900	41,600
Employer's contribution to Central Provident Fund	<u>6,490</u>	<u>5,408</u>
	<u>56,390</u>	<u>47,008</u>

Key management personnel refers to the Executive Director (2017: Executive Director) of the Company.

ALIFE LTD.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

2018	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b><u>INCOME</u></b>					
<b>Income from generated funds</b>					
<b><u>Voluntary income</u></b>					
Donations received	30,174	-	-	-	30,174
Caterpillar Club Fund donation received	-	200	-	200	200
Fund raising projects	143,847	-	-	-	143,847
Sponsorship	10,000	-	-	-	10,000
Sundry income	19,566	-	-	-	19,566
	<u>203,587</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>203,787</u>
<b><u>Investment income</u></b>					
Interest income	3,181	-	-	-	3,181
Amortisation of premium	-	-	-	-	-
	<u>3,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,181</u>
Total income from generated funds	<u>206,768</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>206,968</u>
<b>Income from charitable activities</b>					
<b><u>Charitable income</u></b>					
Movie and Talk Events	1,425	-	-	-	1,425
Seminars and workshop	9,215	-	-	-	9,215
Grants	31,458	-	-	-	31,458
	<u>42,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,098</u>
<b>TOTAL INCOME</b>	<u>248,866</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>249,066</u>

**ALIFE LTD.**

Company Registration Number: 200204369H

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

2018	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b><u>Less: EXPENDITURES</u></b>					
<b>Cost of generating fund</b>					
<b><u>Cost of generating voluntary income</u></b>					
Fund raising projects expenses	(1,379)	-	(11,307)	(11,307)	(12,686)
<b>Cost of charitable activities</b>					
Seminars and workshop expenses	(53,170)	-	(409)	(409)	(53,579)
Staff salaries and bonus	-	-	(255,946)	(255,946)	(255,946)
Employers' contribution to Central Provident Funds	-	-	(28,612)	(28,612)	(28,612)
Staff training	-	-	(826)	(826)	(826)
Rental of premises	-	-	(12,201)	(12,201)	(12,201)
Transport	(5,178)	-	-	-	(5,178)
Telephone	-	-	(7,984)	(7,984)	(7,984)
Utilities	-	-	(3,618)	(3,618)	(3,618)
Stationery, office supplies, and postage	(2,463)	-	-	-	(2,463)
Insurance	(2,022)	-	-	-	(2,022)
Depreciation of plant and equipment	(16,815)	-	-	-	(16,815)
Miscellaneous	(1,083)	-	-	-	(1,083)
IT related expenses	(288)	-	(330)	(330)	(618)
Entertainment	(601)	-	(1,218)	(1,218)	(1,819)
Medical expenses	(630)	-	-	-	(630)
Skill development levy	-	-	(717)	(717)	(717)
Upkeep of office premises and equipment	-	-	(2,339)	(2,339)	(2,339)

**ALIFE LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

2018	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b>Cost of charitable activities (Cont'd)</b>					
Bank charges	(303)	-	-	-	(303)
Refreshment	(641)	-	-	-	(641)
Postage and delivery	(195)	-	-	-	(195)
Gifts and donations	-	-	-	-	-
Advertising and marketing	-	-	(2,997)	(2,997)	(2,997)
Impairment loss written-off	(960)	-	-	-	(960)
Caterpillar Club Fund: bursary	-	(1,250)	-	(1,250)	(1,250)
Caterpillar Club Fund: club expenditure	-	(2,033)	-	(2,033)	(2,033)
	<u>(84,349)</u>	<u>(3,283)</u>	<u>(317,197)</u>	<u>(320,480)</u>	<u>(404,829)</u>
<b>Governance costs</b>					
Auditors' remuneration	(3,500)	-	-	-	(3,500)
Secretarial fee	-	-	-	-	-
	<u>(3,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,500)</u>
<b>TOTAL EXPENDITURES</b>	<u>(89,228)</u>	<u>(3,283)</u>	<u>(328,504)</u>	<u>(331,787)</u>	<u>(421,015)</u>
<b>NET INCOME (EXPENDITURE)</b>	<u>159,638</u>	<u>(3,083)</u>	<u>(328,504)</u>	<u>(331,587)</u>	<u>(171,949)</u>
<b>NET MOVEMENT IN FUNDS</b>	<u>159,638</u>	<u>(3,083)</u>	<u>(328,504)</u>	<u>(331,587)</u>	<u>(171,949)</u>

**ALIFE LTD.**

Company Registration Number: 200204369H

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

2017	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b><u>INCOME</u></b>					
<b>Income from generated funds</b>					
<u>Voluntary income</u>					
Donations received	29,867	-	-	-	29,867
Caterpillar Club Fund donation received	-	290	-	290	290
Fund raising projects	23,515	-	-	-	23,515
Sponsorship	-	-	-	-	-
Sundry income	26,097	-	-	-	26,097
	<u>79,479</u>	<u>290</u>	<u>-</u>	<u>290</u>	<u>79,769</u>
<u>Investment income</u>					
Interest income	3,802	-	-	-	3,802
Amortisation of premium	(96)	-	-	-	(96)
	<u>3,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,706</u>
Total income from generated funds	<u>83,185</u>	<u>290</u>	<u>-</u>	<u>290</u>	<u>83,475</u>
<b>Income from charitable activities</b>					
<u>Charitable income</u>					
Movie and Talk Events	13,861	-	-	-	13,861
Seminars and workshop	16,071	-	-	-	16,071
Grants	55,799	-	-	-	55,799
	<u>85,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,731</u>
<b>TOTAL INCOME</b>	<u>168,916</u>	<u>290</u>	<u>-</u>	<u>290</u>	<u>169,206</u>

**ALIFE LTD.**

Company Registration Number: 200204369H

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

2017	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b>Less: EXPENDITURES</b>					
<b>Cost of generating fund</b>					
<u>Cost of generating voluntary income</u>					
Fund raising projects expenses	(4,855)	-	-	-	(4,855)
<b>Cost of charitable activities</b>					
Seminars and workshop expenses	(19,847)	-	(5,025)	(5,025)	(24,872)
Staff salaries and bonus	-	-	(224,440)	(224,440)	(224,440)
Employers' contribution to Central Provident Funds	-	-	(25,791)	(25,791)	(25,791)
Staff training	-	-	(1,715)	(1,715)	(1,715)
Rental of premises	-	-	(11,960)	(11,960)	(11,960)
Transport	(86)	-	(6,198)	(6,198)	(6,284)
Telephone	(371)	-	(6,879)	(6,879)	(7,250)
Utilities	-	-	(4,883)	(4,883)	(4,883)
Stationery, office supplies, and postage	(2,073)	-	-	-	(2,073)
Insurance	(2,024)	-	-	-	(2,024)
Depreciation of plant and equipment	(10,955)	-	-	-	(10,955)
Miscellaneous	(565)	-	(371)	(371)	(936)
IT related expenses	(56)	-	-	-	(56)
Entertainment	(689)	-	-	-	(689)
Medical expenses	(388)	-	-	-	(388)
Skill development levy	-	-	(704)	(704)	(704)
Upkeep of office premises and equipment	-	-	(656)	(656)	(656)



**ALIFE LTD.**

Company Registration Number: 200204369H

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

2017	Unrestricted Funds	Restricted Funds			Total Funds
	General Fund	Caterpillar Club Fund	Care and Share Matching Grant	Total Restricted Funds	
	\$	\$	\$	\$	\$
<b>Cost of charitable activities (Cont'd)</b>					
Bank charges	(379)	-	-	-	(379)
Refreshment	(456)	-	-	-	(456)
Postage and delivery	(120)	-	-	-	(120)
Gifts and donations	(500)	-	-	-	(500)
Advertising and marketing	(1,060)	-	-	-	(1,060)
Allowance for impairment loss	(1,100)	-	-	-	(1,100)
Caterpillar Club Fund: bursary	-	(1,680)	-	(1,680)	(1,680)
Caterpillar Club Fund: club expenditure	-	(5,304)	-	(5,304)	(5,304)
	<u>(40,669)</u>	<u>(6,984)</u>	<u>(288,622)</u>	<u>(295,606)</u>	<u>(336,275)</u>
<b>Governance costs</b>					
Auditors' remuneration	(5,939)	-	-	-	(5,939)
Secretarial fee	(900)	-	-	-	(900)
	<u>(6,839)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,839)</u>
<b>TOTAL EXPENDITURES</b>	<u>(52,363)</u>	<u>(6,984)</u>	<u>(288,622)</u>	<u>(295,606)</u>	<u>(347,969)</u>
<b>NET INCOME (EXPENDITURE)</b>	<u>116,553</u>	<u>(6,694)</u>	<u>(288,622)</u>	<u>(295,316)</u>	<u>(178,763)</u>
<b>NET MOVEMENT IN FUNDS</b>	<u>116,553</u>	<u>(6,694)</u>	<u>(288,622)</u>	<u>(295,316)</u>	<u>(178,763)</u>

**ALIFE LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**6 PLANT AND EQUIPMENT**

	<u>Office Equipment</u> \$	<u>Computer Equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<b>Cost</b>				
At 30 June 2016	23,661	13,359	4,188	41,208
Additions	-	-	-	-
At 30 June 2017	23,661	13,359	4,188	41,208
Additions	12,388	-	8,954	21,342
At 30 June 2018	36,049	13,359	13,142	62,550
<b>Accumulated depreciation</b>				
At 30 June 2016	11,438	7,720	1,396	20,554
Charge for the financial year	7,632	1,927	1,396	10,955
At 30 June 2017	19,070	9,647	2,792	31,509
Charge for the financial year	11,133	1,300	4,382	16,815
Reclassification (Note A)	(2,412)	2,412	-	-
At 30 June 2018	27,791	13,359	7,174	48,324
<b>Net Carrying amount</b>				
At 30 June 2017	4,591	3,712	1,396	9,699
At 30 June 2018	8,258	-	5,968	14,226

Note A: A reclassification was made for accumulated depreciation from office equipment to computer equipment in order to reflect the actual nature of the transaction.

**7 OTHER RECEIVABLES**

	<u>2018</u> \$	<u>2017</u> \$
Outside parties	7,395	1,940
Less: Allowance for impairment loss	-	(1,100)
	7,395	840
Deposits	1,648	1,648
Prepayments	473	-
	9,516	2,488
Total other receivables (excluding prepayments)	9,043	2,488
Add: Cash and cash equivalents (Note 8)	560,225	751,201
Total loans and receivables	569,268	753,689

**Receivables that are past due but not impaired**

The Company has no (2017: NIL) receivables that are past due but not impaired at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

**7 OTHER RECEIVABLES (Continued)**Receivables that are impaired

The carrying amount of other receivables individually determined to be impaired and the movements in the related allowance for impairment loss are as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Other Receivables – Nominal amounts	-	3,588
Less: Allowance for impairment loss	-	(1,100)
	<u>-</u>	<u>2,488</u>
<u>Movement in allowance accounts</u>		
Balance at beginning of financial year	1,100	-
Charge for the financial year	-	1,100
Written-off during the financial year	(1,100)	-
Balance at end of financial year	<u>-</u>	<u>1,100</u>

Other receivables are denominated in Singapore Dollar.

**8 CASH AND CASH EQUIVALENTS**

	<u>2018</u>	<u>2017</u>
	\$	\$
Fixed deposits	351,894	400,782
Cash at banks	207,826	349,975
Cash on hand	505	444
	<u>560,225</u>	<u>751,201</u>

Cash at banks bears interest at prevailing bank interest rates

Fixed deposits earn an interest at rates ranging from 0.40% to 1.75% per annum (2017: 0.70% to 1.10% per annum).

For the purpose of the statement of cash flows, cash and cash equivalents comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

**9 OTHER PAYABLES**

	<u>2018</u>	<u>2017</u>
	\$	\$
Accrued operating expenses	15,770	13,328
Outside parties	6,572	-
Deferred grant	-	16,486
	<u>22,342</u>	<u>29,814</u>
Total financial liabilities carried at amortised cost (excluding deferred grant)	<u>22,342</u>	<u>13,328</u>

Other payables are denominated in Singapore Dollar.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**10 FUNDS ACCOUNT BALANCES**

*(a) Caterpillar Club Fund*

The Caterpillar Club is a Children's Enrichment Programme that was launched in 2007. It caters to children from ages of 4 to 12 years old who are from disadvantage families who seek to Empower, Educate & Equip themselves with necessary life skills. The programmes of Caterpillar Club are conducted by a committed group of volunteers.

The Caterpillar Club aims to:

- Strengthen the children's character, identity and resilience;
- Enhance their self – esteem and help them develop desirable social habits;
- Equip them with necessary life skills which will benefit them in adulthood; and
- Improve their english language skills

The fund is used for expenditure on manpower and other operating expenditure relating the programmes.

*(b) Care and Share Matching Grant*

Integral to the SG50 Celebration, National Council of Social Service initiated the Care and Share movement – a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by Volunteer Welfare Organisations ("VWO") from 1 December 2013 to 31 December 2016 is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

The grant quantum was enhanced in 2015. It was increased to 1.25 times matching for first \$1 million donations received followed by a dollar matched for next \$1 million. Overall matching by the Government is capped at \$2.25 million for the \$2 million raised by VWO within the qualifying period. The utilisation of grant expires on 31 December 2019.

**11 INCOME TAX**

The Company is an approved charitable institution under the Singapore Charities Act, Chapter 37. Accordingly, the Company is exempted from income tax.

**12 TAX DEDUCTIBLE DONATIONS**

During the financial year, the Company issued tax deductible receipts for donations collected totalling to \$159,496 (2017: \$54,327).

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**13 FINANCIAL INSTRUMENTS**

**(a) *Financial risk management objectives and policies***

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The Company has no foreign currency risk and market price risk. The Company is not exposed to interest rate risk because its fixed deposits bear fixed interest rate. The Company does not have specific risk management policies or guidelines.

***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets that is cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

It is the Company's policy to provide credit terms to creditworthy customers. These debts are continually monitored and therefore, the Company does not expect to incur material credit losses.

***Exposure to credit risk***

The carrying amounts of other receivables, held-to-maturity investment and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

Information regarding credit enhancements for other receivables is disclosed in Note 7 to the financial statements.

***Credit risk concentration profile***

The Company has no (2017: NIL) significant concentration of credit risk with any single counterparty.

***Financial assets that are neither past due nor impaired***

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment record and long-term business relationship with the Company. Cash and cash equivalents and held-to-maturity investment that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings.

***Financial assets that are either past due or impaired***

Information regarding financial assets that are either past due or impaired is disclosed in Note 7 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2018

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**12 FINANCIAL INSTRUMENTS (Continued)**

**(a) Financial risk management objectives and policies (Continued)**

**Liquidity risk**

Liquidity risk arises in the general funding of the Company's business activities. It included the risks of not being able to fund the business activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its activities through its own surplus funds.

At reporting date, the Company has non-derivative financial liabilities that are payables amounting to \$22,342 (2017: \$13,328) which will mature within 1 year or less.

**(b) Fair values of financial assets and financial liabilities**

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amount of those assets and liabilities, as these are short term in nature.

During the financial year, no amount (2017: NIL) has been recognised in statement of financial activities in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

The Company has no (2017: NIL) fair value measurement recognised in the statement of financial position as at the end of the reporting period.

**13 MANAGEMENT OF RESERVES**

The Company regards its unrestricted general fund available to the Company as its reserves. The Company's reserve policy requires it to maintain sufficient reserve to ensure long term financial sustainability and continuity for the purpose of operating effective programmes, which includes transfer between funds. Utilisation of reserves is determined by the Board of Directors of the Company.

The Company's overall strategy remains unchanged from the previous financial year.

The Company is not subject to any externally imposed capital requirements.