

**Annual report of EQUAL-ARK Singapore Ltd ("The Charity")  
for the year ended 30 June 2018**



**EQUAL-ARK SINGAPORE LTD  
UEN : 201536378N  
100 JALAN MASHHOR  
SINGAPORE 299177**

## CHAIRMAN'S MESSAGE

On behalf of our Board of Directors, I am pleased to present the third annual report of EQUAL-ARK Singapore Ltd (EQUAL-ARK), together with its audited financial statements for the financial year ended 30 June 2018.

A social service charity, EQUAL-ARK was incorporated as a company limited by guarantee and approved as an institution of a public character (IPC) and a member of the National Council of Social Service in October 2015.

## PROGRAMME OFFERINGS

Since our incorporation, our main programme has been helping at-risk youths and youths with special needs to develop social-emotional and character skills to cope well in school, family life and future employment. This is achieved through learning activities and therapies with horses as therapy partners. Our beneficiaries are from main stream schools, specialised schools, special education schools, children's homes and youth organisations. NorthLight School and Spectra Secondary School send their entire Secondary 1 and Secondary 2 cohorts respectively to our programme.

In FY 2017, we started a pilot programme to provide psycho-social care for the elderly with dementia or clinical depression through Equine-Assisted Learning. As at 10 Sep 2018, 82 elderly from 8 nursing homes have enrolled for the programme. Currently, a mobile service is being piloted. It involves bringing our team and horses to the residential homes to serve bed-bound and



non-ambulant elderly.

Having completed its pilot stage, the Elderly programme is being fine-tuned. We are grateful to our funders who have supported the programme. We are also grateful to the various nursing homes for their confidence in the effectiveness of the programme.

## **PROGRAMME OUTPUTS**

### **Performance output (FY 2017/18)**

#### Youth programme

Number of youth served: 614, including 170 with special needs

Number of partner schools and youth organisations: 22

Number of sessions conducted: 1,008

Number of hours of equine-assisted learning conducted: 2,520

Target: 550 youth per year

#### Elderly programme

Number of elderly served: 40

Number of partner nursing homes: 6

Number of sessions conducted: 65

Number of hours of equine-assisted learning conducted: 130

Target: 250 elderly per year

#### Family programme

Scheduled to enrol its first clients in Nov 2018

Target: 40 families per year

#### Caregiver programme

Scheduled to enrol its first clients in March 2019

Target: 50 families per year

## **NEW PROGRAMMES**

EQUAL-ARK is further expanding its service offerings with two new programmes, namely the “Family Programme” and the “Caregiver Programme”.

The Family Programme is aimed at families facing poverty, disintegration, strained relationships or caregiving stress. We target to serve at least 40 families every year. Some funding has been obtained from the Community Chest and the Care & Share Fund.

The Caregiver Programme will be launched in early 2019. This is a programme for caregivers of people (aged between 10 and 60) with special needs. We have secured some funding for this from SG Enable through the Tote Board Enabling Lives Initiative Grant.

With the new programmes, the overall number of beneficiaries at EQUAL-ARK is projected to increase to 1,070 by the end of 2019, up from 630 when EQUAL-ARK was established in Oct 2015.

## **RESEARCH**

In 2017, a research team from the Institute of Mental Health completed a research project based on data from EQUAL-ARK programmes in its early years. The research paper was published in a journal. The research team will be commencing its second study on the impact of Equine-Assisted Learning on at-risk youth in 2019. EQUAL-ARK will continue to support such research efforts whose findings would help us refine our service delivery.

## **CORPORATE GOVERNANCE**

The Board of EQUAL-ARK maintained close oversight of the operations of the charity through its five Board Committees, namely, Nomination and Governance

Committee, Finance Committee, Audit Committee, Programmes & Services Committee, Human Resource Committee and Fund Raising Committee.

A new committee, Development Planning Committee, was formed to plan for expansion of EQUAL-ARK to a second location

Efforts are also being made to induct more members into the committees to ensure that relevant expertise is brought to bear in matters under their respective purview.

We are grateful to the professionals who accepted our invitation to join some of the committees.

## **STAFFING**

With the increase in programme activities, the establishment size of EQUAL-ARK has been increased from 15 to 21 staff. The EQUAL-ARK team, current strength 22, is a unique blend of social service professionals, comprising former school teachers, social workers, youth workers, nursing home staff, zoo-keepers and racing jockeys. We continue to provide professional development training for our staff to ensure competency and excellence in service provision and in the execution of operational duties and responsibilities. As part of the continuing professionalisation of the organisation, staff were sent for certification courses in Equine-Assisted Learning at the Equine Experiential Education Association (E3A) and Equine Assisted Growth and Learning Association (EAGALA).

## **COMMUNITY SUPPORT**

EQUAL-ARK continues to depend substantially on grants and donations for its operations as the fees that it charges for its services are very modest. We are grateful to the funding agencies, in particular the Singapore Totalisator Board and the National Council of Social Service, and to our benefactors and donors. Without their support and belief in our cause and ability to deliver, EQUAL-ARK would not have been able to grow its service offerings to the community.

We are in particular grateful for the strong support and assistance of our Founder, Dr Melanie Chew, in our fund raising efforts. We are also grateful to her husband, Mr Tony Chew, for his continued financial support of EQUAL-ARK.

### **RECOGNITION**

Above all, our Board and Management is deeply appreciative to have the recognition and support of Mr Ong Ye Kung, Minister for Education, who has agreed to be Guest-Of-Honour at our second fund raising dinner to be held on 24 October 2018.

We look forward to the continued support of our community partners, grantors, benefactors and donors. We also welcome feedback and suggestions on our programmes and service quality.

Thank you.

Prof Lim Soo Ping  
Chairman  
EQUAL-ARK Singapore Ltd

## **Formation of the Charity**

Equal-Ark Singapore evolved from the EQUAL programme that was run out of the Equestrian Federation of Singapore, a sports charity. Having established itself, the programme was later restructured as a separate and independent entity to focus on and take its social mission to the next level. EQUAL-ARK Singapore Ltd (EQUAL-ARK) was thus formed.

EQUAL-ARK was incorporated as a company limited by guarantee (CLG) on 1 October 2015. It was registered as a charity under the Charities Act on 21 October 2015 and accepted as a member of the National Council of Social Service on 1 December 2015.

In the Financial Year ended 30 Jun 2018, EQUAL-ARK continued to strengthen its signature youth programme, while embarking on the next phase of growth through the development of two new programmes – for the elderly and families.

## **Board of Directors**

### **Chairman:**

Prof Lim Soo Ping (since 1 October 2015)

### **Members:**

Mr Ng Boon Yew (since 1 October 2015)

Ms Melissa Tan (since 1 October 2015)

Mrs Yvonne Goh (since 18 March 2016)

Mr Chua Chin Kiat (since 1 December 2016)

Mr Bernard Yu (since 1 December 2016)

Mrs Carolyn Chin-Parry (since 1 January 2017)

### **Committee Members:**

Mr Chay Yee Meng (since 2 March 2017)

Dr Jade Kua (since 11 May 2017)

The following Committees were established by the Board:

- Nomination and Governance Committee (chaired by Prof Lim Soo Ping)
- Human Resource Committee (chaired by Mrs Yvonne Goh)
- Audit Committee (chaired by Mr Ng Boon Yew)
- Finance Committee (chaired by Mr Bernard Yu)
- Programmes and Services Committee (chaired by Mr Chua Chin Kiat)
- Fund Raising Committee (chaired by Ms Melissa Tan)
- Development Planning Committee (chaired by Mr Bernard Yu)

**Chief Executive:**

Mr Ng Tze Yong (since 1 December 2016)

**Company Secretary:**

Ms Shirley Lim of ALPINE Corporate Services Pte Ltd

**Statutory Auditor:**

RSM Chio Lim LLP

**Banker:**

DBS Bank Singapore  
Standard Chartered Bank (Singapore) Limited

**Vision**

We aspire to become an internationally-recognised institution building a resilient and inclusive society.

**Mission**

Empowerment of vulnerable persons in partnership with horses.

**Charitable Activities**

The objectives of EQUAL-ARK are carried out through three programmes that complement the work of schools, youth organisations, children's homes, nursing homes, Family Service Centres, and other social service organisations.

## 1. Youth Programme



This is the signature programme of EQUAL-ARK, established since 2011.

It serves 550 youths-at-risk and youth with special needs every year, helping them remain and succeed in school. We do this by developing social-emotional and character skills such as managing impulsivity, exercising persistence, thinking flexibly, empathy, taking responsible risks, respect and resilience. Known as Habits of Mind, these are a set of life skills that are considered critical factors for success in school, family life and future employment.

We develop these skills through experiential learning with therapy horses, which involves activities in our riding arena, stables, forest hill, and nature trails. Mainstream, specialised and special education schools, children's homes, and other youth organisations enrol youth in this programme to complement and strengthen their own character development and rehabilitation efforts.

A 2017 study by the Institute of Mental Health showed that by improving these social-emotional skills, the programme contributed to subsequent improvements in the youth's academic results.



*Photos by Mr S. B. Sivaganesh*

## 2. Elderly Programme



This is a psycho-social care programme for the elderly with dementia and depression. Through the combination of Equine-Assisted Learning, Person-Centred Care and nature pedagogy, the programme aims to improve the mental well-being of the elderly in institutional and community care settings. First piloted in mid-2017, it has since served the elderly from 8 nursing homes as of Sep 2018, with other nursing homes in the pipeline.

A clinical impact evaluation study conducted by Apex Harmony Lodge nursing home showed that the programme led to improvements in the well-being of the elderly.

Nursing homes have also requested for the service to be delivered at their premises to serve bed-bound and non-ambulant elderly. This mobile Equine-Assisted Learning service is currently being rolled out.



### 3. Family Programme



This programme aims to build emotional resilience in families facing stress factors such as disintegration, reunification, dysfunctional relationships, fostering, caregiving stress, and others.

Such families may be uncooperative, difficult to engage or confrontational, impeding social workers in delivering the intervention that the families require. The Family Programme aims to support such social workers by introducing an avenue that may lower the resistance of these families, by camouflaging intervention as recreation, and paving the way for intervention to follow naturally, effectively and efficiently.

It achieves this by using therapy horses to disrupt entrenched family dynamics and ingrained mindsets, creating a unique opening for behavioural change. Through this, social-emotional skills such as empathy, responsibility, managing impulsivity and respect are developed in the families, leading to improved relationships and positive long-term outcomes.



## **Funding Sources**

EQUAL-ARK is financially supported by donations from benefactors and well-wishers, and by government grants.

## **Conflict of Interests Management Policy**

The Board requires all Board members and staff to disclose situations that present a conflict of interest with their functions and decision-making at EQUAL-ARK.

Staff are not allowed to engage in any outside employment that is in conflict with their role and duties in EQUAL-ARK.

## **Reserves Management Policy**

Under the "Reserves Policy Guide for Charities" issued by The Charity Council, "reserves" refers to that part of a charity's income funds that is freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds. Reserves level (RL) refers to the ratio of reserves to (average) annual operating expenditure.

Based on the above, the reserves of EQUAL-ARK amounted to \$1,062,806 as at 30 June 2018. This amount excludes the costs of infrastructure required for the delivery of its charitable services. The RL is therefore 0.80 (2017: 0.37).

*See footnote.*

The Board aims to raise EQUAL-ARK's RL to 3.0 eventually to ensure its continued sustainability.

*(Footnote: Including Restricted Fund, the Reserve Ratio as at 30 June 2018 stood at 2.27 (2017: 2.19) as per Note 10 of the accounts.)*

## **Year in Review**

This review covers the 12-month period from 1 July 2017 to 30 June 2018.

## **Financial Affairs**

EQUAL-ARK's audited financial statements for the financial year ended 30 June 2018 is at Annex A .

As at 30 June 2018, EQUAL-ARK received a total of \$1,680,734 in grants and donations comprising:

<i>Grant from Tote Board/NCSS:</i>	\$802,160
<i>Donations:</i>	\$109,150
<i>Fund Raising</i>	\$380,250
<i>Others:</i>	\$389,174

Its total expenditure was: \$1,327,308

The surplus for the year amounted to \$353,426

*The non-financial assets of EQUAL-ARK amounted to \$1,356,629, comprising:*

<i>Leasehold Properties</i>	\$1,320,102
<i>Equipment</i>	\$ 15,102
<i>Horses</i>	\$ 21,425

These assets are used wholly for the charitable purposes of the Charity.

## **Staffing**

As at 30 September 2018, EQUAL-ARK had 21 staff members. One staff member earned more than \$100,000 in annual remuneration.

## **Volunteers**

As at 27 Sep 2018, there are 33 active volunteers.

## **Fund- Raising Activities**

The total amount of funds raised in FY17/18 was \$380,250. The bulk of this (\$379,250) was raised at its fund-raising dinner held on 22 September 2017. The administrative expenses was \$33,960, i.e. below the 30% fund-raising efficiency ratio set by the Charity Council.

EQUAL-ARK is holding its 2018 annual fund-raising dinner on 24 October 2018, with the assistance of its Founder, Dr Melanie Chew. The Guest-of-Honour will be Minister of Education Ong Ye Kung.

## **Acknowledgements**

We are grateful to the organisations and individuals who have supported our mission and programmes, namely our grantors, donors, and institutional supporters. A full list is shown in Annexes B and C.

## **Staff Development**

Staff development is key to improving our service delivery. During the July 2017 – June 2018 period:

- 6 staff and 1 Board Director attended the Equine Experiential Education Association (E3A) certification course
- 4 staff attended the Equine-Assisted Growth and Learning Association (EAGALA) Training Fundamentals certification course
- 3 staff completed 2-week training attachments to Festina Lente, an Equine-Assisted Learning centre in Ireland, made possible by the Singapore Ireland Fund

## **Future Plans & Commitments**

EQUAL-ARK's 4<sup>th</sup> programme – for caregivers of persons with special needs – will be launched in Q1 2019. It will be funded by the Tote Board Enabling Lives Initiative Grant through SG Enable. It aims to serve 150 caregivers and persons with special needs in Year 1, and double the number in Year 2.

EQUAL-ARK will also deliver mobile services at the locations of 1 or 2 partner organisations in 2019. In parallel, EQUAL-ARK is also working to secure a second location in addition to our current base at 100 Jalan Mashhor. This will bring the benefits of Equine-Assisted Learning closer to the community, increasing the capacity of EQUAL-ARK and achieving more economies of scale.

Amid the organisational growth, EQUAL-ARK will continue to focus on talent attraction, management and retention, to build a stellar team of Equine-Assisted Learning professionals able to develop this new and exciting resource for the benefit of Singapore's social sector and garner international recognition.

Annex A:

**EQUAL-ARK SINGAPORE LTD.**

(Registration No: 201536378N)

(Registered under the Charities Act, Chapter 37)

**Statement by Directors and Financial Statements**

Year ended 30 June 2018

**EQUAL-ARK SINGAPORE LTD.**

**Statement by Directors and Financial Statements**

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## **EQUAL-ARK SINGAPORE LTD.**

### **Statement by Directors**

The directors of the company are pleased to present the financial statements of the company for the reporting year ended 30 June 2018.

#### **1. Opinion of the directors**

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and financial activities of the company for the reporting year covered by the financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

#### **2. Directors**

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

Lim Soo Ping  
Chin Ye-Phern Carolyn  
Choo Yvonne  
Chua Chin Kiat  
Ng Boon Yew  
Tan Tanee Melissa Loretta  
Yu Bernard

#### **3. Directors' interests in shares and debentures, and arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures**

The company is a company limited by guarantee and has no share capital and debentures.

#### **4. Options**

The company is a company limited by guarantee. As such, there are no share options or unissued shares under option.

**EQUAL-ARK SINGAPORE LTD.**

**5. Independent auditor**

**RSM Chio Lim LLP has expressed its willingness to accept re-appointment.**

**On behalf of the directors**

**Lim Soo Ping  
Director**

**Ng Boon Yew  
Director**

**Independent Auditor's Report to the Members of the  
EQUAL-ARK SINGAPORE LTD.**

(Registered under the Charities Act, Chapter 37)

**Report on the audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of Equal-Ark Singapore Ltd. (the "company") which comprise the statement of financial position as at 30 June 2018, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37, other relevant regulations (the "Charities Act and Regulations") and the 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 activities, changes in funds and cash flows of the company for the 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 information included in the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

**Independent Auditor's Report to the Members of the  
EQUAL-ARK SINGAPORE LTD.**

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**Responsibilities of management and directors 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, 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 financial 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.

The directors' responsibilities include overseeing the company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of 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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report to the Members of the  
EQUAL-ARK SINGAPORE LTD.**

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**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- d) 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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

We have provided the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**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 provision of the Companies Act, and the Charities Act and Regulations; and

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

- (a) The company has not used the donation moneys in accordance with its objectives 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 of the Charities (Institutions of a Public Character) Regulations.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

28 September 2018

Partner-in-charge of audit: Chan Sek Wai  
Effective from reporting year ended 30 June 2016

EQUAL-ARK SINGAPORE LTD.

Statement of Financial Activities  
Year Ended 30 June 2018

	Unrestricted Fund	Restricted Funds Total Board/ NCSS			Total Restricted Fund	Total \$
Notes	\$	Care & Share Fund	Funded Programmes	\$	\$	\$
<b>INCOMING RESOURCES:</b>						
Voluntary income – donations	109,150	-	-	-	-	109,150
Government grants	50,000	-	752,160	752,160	-	802,160
Amortisation of deferred capital grants	121,151	-	-	-	-	121,151
Fund generating activities	616,461	-	-	-	-	616,461
Interest income	6,983	-	-	-	-	6,983
Miscellaneous income	24,829	-	-	-	-	24,829
<b>Total incoming resources</b>	<b>928,574</b>	<b>-</b>	<b>752,160</b>	<b>752,160</b>	<b>-</b>	<b>1,680,734</b>
<b>RESOURCES EXPENDED:</b>						
<b>Cost of charitable activities</b>	<b>440,287</b>	<b>273,053</b>	<b>614,968</b>	<b>887,021</b>	<b>-</b>	<b>1,327,308</b>
Charitable activities expenses	440,287	273,053	614,968	887,021	-	1,327,308
<b>Total resources expended</b>	<b>440,287</b>	<b>(272,053)</b>	<b>137,192</b>	<b>(134,861)</b>	<b>-</b>	<b>353,426</b>
<b>Surplus (Deficit) for the reporting year</b>	<b>488,287</b>	<b>(272,053)</b>	<b>137,192</b>	<b>(134,861)</b>	<b>-</b>	<b>353,426</b>
Transfer of fund	(62,852)	62,852	-	62,852	-	-
Balance at beginning of the year	574,519	209,201	1,481,932	1,691,133	2,265,652	2,265,652
Balance at end of the year	999,954	-	1,619,124	1,619,124	2,619,078	2,619,078

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

**EQUAL-ARK SINGAPORE LTD.**

**Statement of Financial Activities  
Year Ended 30 June 2017**

	Unrestricted Fund	Restricted Funds Total Board/ NCSS			Total Restricted Fund	Total Fund
Notes	\$	Care & Share Fund	Funded Programmes	\$	\$	\$
<b>2017</b>						
<b>INCOMING RESOURCES:</b>						
Voluntary income – donations	271,975	–	–	–	271,975	
Government grants	–	577,874	532,553	1,110,427	1,110,427	
Amortisation of deferred capital grants	121,001	–	–	–	121,001	
Fund generating activities	127,265	–	–	–	127,265	
Interest income	6,983	–	–	–	6,983	
Miscellaneous income	74,954	–	–	–	74,954	
<b>Total incoming resources</b>	<b>602,178</b>	<b>577,874</b>	<b>532,553</b>	<b>1,110,427</b>	<b>1,712,605</b>	
<b>RESOURCES EXPENDED:</b>						
Cost of charitable activities	262,326	168,183	1,110,369	1,278,552	1,540,878	
Charitable activities expenses	262,326	168,183	1,110,369	1,278,552	1,540,878	
<b>Total resources expended</b>	<b>339,852</b>	<b>409,691</b>	<b>(577,816)</b>	<b>(168,125)</b>	<b>171,727</b>	
<b>Surplus (Deficit) for the reporting year</b>						
Balance at beginning of the year	234,667	(200,490)	2,059,748	1,859,258	2,093,925	
Balance at end of the year	574,519	209,201	1,481,932	1,691,133	2,265,652	

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

**EQUAL-ARK SINGAPORE LTD.**

**Statement of Financial Position  
As at 30 June 2018**

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	7	1,356,629	1,532,194
<b>Total non-current assets</b>		<u>1,356,629</u>	<u>1,532,194</u>
<b><u>Current assets</u></b>			
Other receivables	8	768,563	913,765
Cash and cash equivalents	9	1,455,259	966,588
<b>Total current assets</b>		<u>2,223,822</u>	<u>1,880,353</u>
<b>Total assets</b>		<u>3,580,451</u>	<u>3,412,547</u>
<b><u>Funds</u></b>			
Unrestricted fund	10	999,954	574,519
Restricted funds	10	1,619,124	1,691,133
<b>Total accumulated funds</b>		<u>2,619,078</u>	<u>2,265,652</u>
<b><u>Non-current liabilities</u></b>			
Other liabilities	11	53,500	–
Deferred capital grants	13	675,473	796,624
<b>Total non-current liabilities</b>		<u>728,973</u>	<u>796,624</u>
<b><u>Current liabilities</u></b>			
Trade and other payables	12	232,400	350,271
<b>Total current liabilities</b>		<u>232,400</u>	<u>350,271</u>
<b>Total liabilities</b>		<u>961,373</u>	<u>1,146,895</u>
<b>Total fund and liabilities</b>		<u>3,580,451</u>	<u>3,412,547</u>

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

**EQUAL-ARK SINGAPORE LTD.**

**Statement of Cash Flows  
Year Ended 30 June 2018**

	2018	2017
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus for the reporting year	353,426	171,727
Adjustments for:		
Interest income	(6,983)	-
Depreciation of property, plant and equipment	229,637	226,421
Amortisation of deferred capital grants	(121,151)	(121,001)
Gain on disposal of plant and equipment	-	(2,999)
Operating cash flow before changes in working capital	454,929	274,148
Other receivables	145,202	746,913
Deposits	-	5,600
Other liabilities	53,500	-
Trade and other payables	(117,871)	(187,846)
Net cash flows from operating activities	535,760	838,815
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(54,072)	(4,114)
Proceed from disposal of plant and equipment	-	3,000
Interest received	6,983	-
Net cash flows used in investing activities	(47,089)	(1,114)
<b>Cash flows from financing activities</b>		
Cash restricted in use	(5,811)	(281,348)
Deferred capital grants received	-	3,119
Net cash flows used in financing activities	(5,811)	(278,229)
Net increase in cash and cash equivalents	482,860	559,472
Cash and cash equivalents, statement of cash flows, beginning balance	685,240	125,768
Cash and cash equivalents, cash flow statement, ending balance (Note 9A)	1,168,100	685,240

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

## **EQUAL-ARK SINGAPORE LTD.**

### **Notes to the Financial Statements 30 June 2018**

#### **1. General**

Equal-Ark Singapore Ltd. ("the "company") is incorporated in Singapore on 1 October 2015 under the Companies Act, Chapter 50. The company is also a charity registered under the Charities Act, Chapter 37 and is an approved institutions of a public character under the Singapore Income Tax Act, Chapter 134.

The principal objective of the company is to help persons at-risk with intellectual disability, in particular, children and youths, to improve their chances at social integration and economic self-sufficiency.

The functional currency of the company is Singapore Dollars and the financial statements are presented in Singapore dollars.

Each member of the company has undertaken to contribute such amounts not exceeding \$1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company had 4 (2017: 4) members at the end of the reporting year.

The memorandum and articles of the company restricts the use of fund monies to the furtherance of the objects of the company. They prohibit the payment of dividends to members.

The registered office address is 100 Jalan Mashhor, Singapore 299177. The company is registered and situated in Singapore.

The financial statements were approved and authorised for issue by the directors on the date indicated in the statement by directors.

#### **Accounting convention**

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council, the Singapore Charities Act, Chapter 37 and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material.

#### **Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

**2. Significant accounting policies and other explanatory information**

**2A. Significant accounting policies**

**Revenue recognition**

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement, (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the company has unconditional entitlement. The revenue from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the ordinary activities of the company.

*(i) Rendering of services*

Rendering of services including program fees that are of short duration is recognised when services are completed. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the ordinary activities of the company.

*(ii) Donations and corporate cash sponsorships*

Revenue from donations and corporate cash sponsorships are accounted for when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed.

*(iii) Fund raising*

Revenue from fund-raising projects are recognised as and when received.

*(iv) Donation in kind*

Donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of receipt of the gift of the non-monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is certainty that it will be received. No value is ascribed to volunteer services.

*(v) 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.

**Government grants**

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

**Income tax**

As a charity, the company is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen in the company.

## **EQUAL-ARK SINGAPORE LTD.**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2A. Significant accounting policies (cont'd)**

##### **Employee salaries and benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

##### **Property, plant and equipment**

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties	–	Over lease terms
Plant fixtures and equipment	–	20% – 33%
Horses	–	14%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

##### **Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

**Financial assets**

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Financial assets (cont'd)**

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at the end of the reporting year there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at the end of the reporting year there were no financial assets classified in this category.

**Cash and cash equivalents**

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand, if any, that form an integral part of cash management.

**Financial liabilities**

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expired. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

## **EQUAL-ARK SINGAPORE LTD.**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2A. Significant accounting policies (cont'd)**

##### **Financial liabilities (cont'd)**

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at end of the reporting year date, there were no financial liabilities classified in this category.
2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

##### **Fair value measurement**

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

## **EQUAL-ARK SINGAPORE LTD.**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2B Other explanatory information**

##### **Provisions**

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

##### **Funds**

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the company are allocated subsequently to those funds. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

#### **2C Critical judgements, assumptions and estimation uncertainties**

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

### **3. Related party relationships and transactions**

#### **3A. Related party:**

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The board of directors, or people connected with them, have not received remuneration, or other benefits, from the company for which they are responsible, or from institutions connected with the company.

There is no claim by the directors for services provided to the company, either by reimbursement to the directors or by providing the directors with an allowance or by direct payment to a third party.

## EQUAL-ARK SINGAPORE LTD.

### 3. Related party relationships and transactions (cont'd)

#### 3B. Key management compensation:

	2018	2017
	\$	\$
Salaries and other short-term employee benefits	129,878	126,233

Key management personnel are the chief executive and the directors of the company having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly. The above amount for the key management compensation is for the chief executive of the company.

### 4. Voluntary income – donations and fund raising activities

The company enjoys a concessionary tax treatment whereby qualifying donors are granted a tax deduction for the donations made to the company. The quantum of the tax deduction for each calendar year may vary in accordance with the Singapore Budget. The Institutions of a Public Character status granted to the company is for the period from 1 November 2017 to 31 October 2018.

	2018	2017
	\$	\$
Tax deductible receipts issued for donations collected	458,553	62,087

### 5. Charitable activities expenses

The major components include the following:

	2018	2017
	\$	\$
Fees paid to independent auditor		
- Audit fee	13,910	20,865
- Other attestation fees	5,350	5,350
Employee benefits expense (Note 6)	686,011	816,132
Depreciation of property, plant and equipment (Note 7)	229,637	226,421
Programme costs	6,143	131,270
Rental expense (Note 14)	71,383	71,704
Equine costs	75,244	107,220
Gain on disposal of plant and equipment	-	(2,999)

**EQUAL-ARK SINGAPORE LTD.**

**6. Employee benefits expense**

	2018	2017
	\$	\$
Short term employee benefits expense	597,259	718,390
Contributions to defined contribution plan	88,752	97,742
Total employee benefits expense included in charitable activities expenses	<u>686,011</u>	<u>816,132</u>

**7. Property, plant and equipment**

	Leasehold properties	Plant fixtures and equipment	Horses	Total
	\$	\$	\$	\$
<u>Cost:</u>				
At 1 July 2016	2,084,850	4,961	34,781	2,124,592
Additions	-	993	3,121	4,114
Disposals	-	-	(1)	(1)
At 30 June 2017	2,084,850	5,954	37,901	2,128,705
Additions	39,811	14,261	-	54,072
At 30 June 2018	<u>2,124,661</u>	<u>20,215</u>	<u>37,901</u>	<u>2,182,777</u>
<u>Accumulated Depreciation</u>				
At 1 July 2016	362,641	1,652	5,797	370,090
Depreciation for the year	219,448	1,707	5,266	226,421
At 30 June 2017	582,089	3,359	11,063	596,511
Depreciation for the year	222,470	1,754	5,413	229,637
At 30 June 2018	<u>804,559</u>	<u>5,113</u>	<u>16,476</u>	<u>826,148</u>
<u>Carrying value:</u>				
At 1 July 2016	1,722,209	3,309	28,984	1,754,502
At 30 June 2017	1,502,761	2,595	26,838	1,532,194
At 30 June 2018	<u>1,320,102</u>	<u>15,102</u>	<u>21,425</u>	<u>1,356,629</u>

The depreciation is included in charitable activities expenses (Note 5).

The leasehold properties include the main administrative building and arena that are erected on a State Lease's land located at 100 Jalan Mashhor, Singapore 299177. The State Lease will expire on 4 August 2024.

**8. Other receivables**

	2018	2017
	\$	\$
Government grants receivables	700,809	883,416
Outside parties	67,754	30,349
	<u>768,563</u>	<u>913,765</u>

**EQUAL-ARK SINGAPORE LTD.**

**9. Cash and cash equivalents**

	2018	2017
	\$	\$
Not restricted in use	1,168,100	685,240
Cash under restricted funds (Note A)	287,159	281,348
	<u>1,455,259</u>	<u>966,588</u>

Note A: Included in "Cash under restricted funds" is an amount of \$50,000 (2017: Nil) from the Community Chest Charity Support Fund and S\$237,159 (2017: \$72,147) from Tote Board/NCSS Funded Programmes. In 2017, the amount of \$209,201 was in respect of the Care and Share Fund. Interest rates on the amount placed on interest earning deposits of \$1,164,000 (2017: Nil) vary between 1.38% and 1.60% (2017: Nil) per annum.

**9A. Cash and cash equivalents in the statement of cash flows:**

	2018	2017
	\$	\$
Amount as shown above	1,455,259	966,588
Restricted in use	<u>(287,159)</u>	<u>(281,348)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>1,168,100</u>	<u>685,240</u>

**10. Reserve ratio**

	2018	2017
	\$	\$
Unrestricted fund	999,954	574,519
Restricted funds (ii)	<u>1,619,124</u>	<u>1,691,133</u>
Total accumulated funds	<u>2,619,078</u>	<u>2,265,652</u>
Ratio of unrestricted fund to annual operating expenditure* (i)	<u>2.27</u>	<u>2.19</u>

\*Annual operating expenditure represents total resources expended for unrestricted fund.

- (i) The reserve of the company provides financial sustainability and the means for the development of the company's activities. The company intends to maintain the reserve at a level sufficient for its operating needs. The directors review the level of reserves regularly for the company's continuing obligations.
- (ii) The restricted funds of the company represents the fund use to support the programmes of the company. The incoming source of fund is mainly derived from grants by Singapore Totalisator Board, Care & Share and National Council of Social Service. The restricted funds are represented by:

	2018	2017
	\$	\$
Property, plant and equipment, net	1,356,629	1,532,194
Other receivables	700,809	883,416
Cash and bank balances	287,159	281,348
Other payables	(50,000)	(209,201)
Deferred capital grant	(675,473)	(796,624)
Total restricted funds	<u>1,619,124</u>	<u>1,691,133</u>

**EQUAL-ARK SINGAPORE LTD.**

**11. Other liabilities**

	<u>2018</u> \$	<u>2017</u> \$
Provision for restoration costs (a)	53,500	<u>—</u>

- (a) The provision is the present value of the estimated costs, based on quotations received from external contractors, for the restoration of the leased properties upon the expiration of the lease in 9 years' time.

**12. Trade and other payables**

	<u>2018</u> \$	<u>2017</u> \$
<u>Trade payables:</u>		
Outside parties and accrued liabilities	31,541	35,815
Trade payables – subtotal	<u>31,541</u>	<u>35,815</u>
<u>Other payables:</u>		
Outside parties	200,859	314,456
Other payables – subtotal	<u>200,859</u>	<u>314,456</u>
Total trade and other payables	<u>232,400</u>	<u>350,271</u>

**13. Deferred capital grants**

	<u>2018</u> \$	<u>2017</u> \$
Deferred capital grants (Note 13A)	675,473	796,624
	<u>675,473</u>	<u>796,624</u>

**13A. Deferred capital grants:**

	<u>2018</u> \$	<u>2017</u> \$
<u>At cost:</u>		
Balance at start of the year	1,189,345	1,186,226
Purchase of plant and equipment – grants received	—	3,119
Balance at end of the year	<u>1,189,345</u>	<u>1,189,345</u>
<u>Accumulated amortisation:</u>		
Balance at start of the year	392,721	271,720
Amortisation for the year	<u>121,151</u>	<u>121,001</u>
Balance at end of the year	<u>513,872</u>	<u>392,721</u>
<u>Carrying value:</u>		
Balance at start of the year	796,624	914,506
Balance at end of the year	<u>675,473</u>	<u>796,624</u>

This represents capital grants received from Tote Board and other government related agencies for the construction of properties and purchase of plant and equipment.

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### 14. Operating lease payment commitments – as lessee

At the end of reporting year the total of future minimum lease payments commitments under non-cancellable operating leases are as follows:

	2018	2017
	\$	\$
Not later than one year	69,778	71,704
Later than one year and not later than five years	279,112	283,895
Later than five years	74,692	146,534
Total	<u>423,582</u>	<u>502,133</u>
Rental expenses (Note 5)	<u>71,383</u>	<u>71,704</u>

Operating lease payments are for rentals payable by the company for its land lease on its office building and certain office equipment. The leases for certain office equipment are negotiated for an average term of five years. The land lease from the Singapore Land Authority is for 15 years from 4 August 2009.

### 15. Columnar presentation of statement of financial position

A majority of the assets and liabilities are attributable to the accumulated fund. All the assets and liabilities of restricted funds are disclosed in Note 10. Accordingly the company did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

### 16. Financial instruments: information on financial risks

#### 16A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	2018	2017
	\$	\$
<u>Financial assets:</u>		
Cash and cash equivalents	1,455,259	966,588
Other receivables	768,563	913,765
At end of the year	<u>2,223,822</u>	<u>1,880,353</u>
<u>Financial liabilities:</u>		
Trade and other payables measured at amortised cost	232,400	350,271
At end of the year	<u>232,400</u>	<u>350,271</u>

Further quantitative disclosures are included throughout these financial statements.

**16. Financial instruments: information on financial risks (cont'd)**

**16B Financial risk management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The directors of the company have put in place certain practices for the management of the financial risks, to be carried out by management. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff, reporting to the directors of the company where necessary.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

**16C Fair values of financial instruments**

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

**16D Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss.

Note 9 discloses the maturity of the cash and cash equivalents balances

As at the end of the reporting year, there were no amounts that were impaired.

**16E Liquidity risk– financial liabilities maturity analysis**

There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2017: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

**EQUAL-ARK SINGAPORE LTD.**

**16. Financial instruments: information on financial risks (cont'd)**

**16F. Interest rate risk**

The following table analyses the breakdown by type of interest rate:

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Financial assets:</u>		
Fixed rates	1,164,000	-
At end of the year	1,164,000	-

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant. The interest rates are disclosed in Note 9.

Sensitivity analysis: The effect on profit before tax is not significant.

**16G. Foreign currency risk**

There is no exposure to foreign currency risk.

**17. Changes and adoption of financial reporting standards**

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. None of these were applicable to the reporting entity.

**18. New or amended standards in issue but not yet effective**

The new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below.

FRS No.	Title	Effective date for periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers. Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases and Leases - Illustrative Examples & Amendments to Guidance on Other Standards	1 Jan 2019

On the basis of the current accounting treatment of the major sources of revenue (see accounting policy in Note 2 and disclosures in Note 4 on revenue) the management does not anticipate that the application of FRS115 will have a material impact on the financial position and/ or financial performance of the entity, apart from providing more extensive disclosure on the revenue transactions.

**18. New or amended standards in issue but not yet effective (cont'd)**

FRS 116 Leases is effective for annual periods beginning on or after 1 January 2019 and it replaces FRS 17 and its Interpretations. For the lessee, the biggest change introduced is that almost all leases will be brought onto the statements of financial position under a single (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the lessor, the accounting remains largely unchanged and the distinction between operating and finance lease is retained. FRS 116 will be adopted in the financial statements when it becomes mandatory, with the following effects: For the entity's non-cancellable operating lease commitments of \$423,582 as at 30 June 2018 (Note 14), a preliminary assessment indicates that these arrangements meet the definition of a lease under FRS 116.

## **Annex B**

### *1. List of grantors and donors from 1 July 2017 to 30 June 2018*

Our grantors are:

Singapore Totalisator Board  
National Council of Social Services  
Community Chest  
President's Challenge  
Care & Share Fund

Our donors include (S\$1,000 & above):

Melanie Chew  
Accenture Pte Ltd  
Far East Organisation  
Eng Chiet Hsuen  
Mayfield Investment Holdings Pte Ltd  
Ngoi Sing Shang  
Tan Ean Kiam Foundation  
Kee Song Food Corporation (S) Pte Ltd  
Keppel Care Foundation  
Kuok Khoon Hong  
Li Kenneth Benjamin  
Oei-Chu Yue Mai  
Wilmar International Limited  
nTan Corporate Advisory Pte Ltd  
Mok Juang Wei  
BPA Australasia Pte Ltd  
Chin Yoke Choong  
Interlocal Exim Pte Ltd  
Lim Soo Ping  
Kwa Kim Li

Ngoi Surgery Pte Ltd  
Parkway Group Healthcare Pte Ltd  
RSM Chio Lim LLP  
Sim Hoay Cheok  
Tang Chee Heng, Dennis  
The Community Foundation of Singapore  
The Silent Foundation Ltd  
Trussco Pte Ltd  
Wee Ee Chao  
Desmond Lim, Vinum  
Cheng Wai Wing Edmund  
George Huang Chang Yi  
Ho Geok Choo Madeleine  
Lai Kuan Loong Victor  
Ng Boon Yew  
PriceWaterHouseCoopers LLP  
Tan Swee Ho  
Yu Bernard  
Yvonne Goh  
Life Training & Development LLP  
Henry Tay Yun Chwan  
Lim Beng Hua  
Lim Swee Lian Ivy  
Mattar Po'ad Bin Shaik Abu Bakar  
NTUC Fairprice Foundation Ltd  
Pico Art International Pte Ltd  
Tan Chin Nam  
Mount Pleasant Animal Medical Centre (Farrer) Pte. Ltd  
Neo Tiau Keng  
Bsfite (S) Holding Pte Ltd  
Chew Gek Hiang  
Kwok Wei San  
Ng Weng Kwai Philip  
Ng Yan Huay

Peter Seah Lim Huat  
Singapore Press Holdings Ltd  
Tan Ser Kiat  
Wong Yuen Kuai Lucien  
Yeo Lim Yam

*2. List of donors for the Fund-raising Dinner on 24 Oct 2018 (correct as of 10 Sep 2018)*

Teo Siong Seng  
Parkway Group  
Dr Henry Tay  
Kuok Khoon Hong  
Fraser & Neave Limited

Wilmar Int'l Limited  
Bobby Chin Yoke Choong  
Ngoi Surgery Pte Ltd  
Nassim Hill Realty Pte Ltd  
UOB Kay Hian Pte Ltd  
Wing Tai Foundation  
SymAsia Singapore Fund  
Kwa Kim Li  
Lucien Wong Yuen Kuai  
Chew Leong Chee, Tony  
Beh Swan Gin  
Ho Bee Foundation  
Tan Kok Kiong, Andrew  
Henry Tay Yun Chwan  
Lee Ching Yen, Stephen  
Keppel Care Foundation  
Quay Properties Pte Ltd (Far East Organization)  
Patrick Daniel  
Tay Lai Cheng  
The Humming Bird Co.

## **Annex C: List of Institutional Supporters**

### *1. Schools*

NorthLight School  
Spectra Secondary School  
Crest Secondary School  
MINDS (Lee Kong Chian Gardens School)  
Grace Orchard School  
APSN Chaoyang  
APSN Katong  
Bedok View Secondary School  
Jurongville Secondary School  
Bukit Batok Secondary School  
Hong Kah Secondary School  
Northland Secondary School  
Pei Cai Secondary School  
Pei Hwa Secondary School  
Yu Ying Secondary School  
Yishun Town Secondary School  
Tampines Primary School

### *2. Social Service Organizations*

Gracehaven Children's home  
Singapore Children's Society  
HCSA Dayspring  
Singapore Association for Mental Health

### *3. Nursing homes*

All Saints Home Jurong  
All Saints Home Tampines  
Apex Harmony Lodge

Lee Ah Mooi Old Age Home  
Ling Kwang Home  
St Theresa's Home

#### *4. Government bodies*

Institute of Mental Health  
Ministry of Social and Family Development  
Ministry of Health

#### *5. Others*

Decathlon  
Khoo Teck Puat Hospital  
Equestrian Federation of Singapore  
Singapore Polo Club  
Animal Human Alliance  
Foolproof design studio  
Forest School Singapore  
Mindful Schools  
Make-A-Wish Foundation  
St Andrew's Autism Centre