Foundation Registration No. 200308081M

Halogen Foundation (Singapore)

Annual Financial Statements
31 December 2015

Halogen Foundation (Singapore)

General information

Directors

Lim Soon Hock (Chairman)
Tam Chee Chong (Treasurer)
Ann Tan Sian Ann (Dr)
Cho Pei Lin (Zhu Peilin)
Martin Tan Beng Chong (Chen Mingzong)
Thong Yuen Siew Jessie
William Bruce Grahame Padfield
Ramlee Bin Buang
Mark John Sayer

Finance and Establishment Committee

Tam Chee Chong (Chairperson)
William Bruce Grahame Padfield (Co-Chairperson)
Lim Soon Hock
Martin Tan Beng Chong (Chen Mingzong)

Audit Committee

Ramlee Bin Buang (Chairperson)
Thong Yuen Siew Jessie (Co-Chairperson)
Lim Soon Hock

Business Development and Sponsorships Committee

Ann Tan Sian Ann (Chairperson)
Mark John Sayer (Co-Chairperson)
Cho Pei Lin (Zhu Peilin)
Lim Soon Hock
Martin Tan Beng Chong (Chen Mingzong)
Thong Yuen Siew Jessie

Award Committee
Cho Pei Lin (Chairperson)
Mark John Sayer (Co-Chairperson)
Thong Yuen Siew Jessie

Foundation secretary

Moncy Mathew

Halogen Foundation (Singapore)

General information

Registered office

133 New Bridge Road
#13-10 Chinatown Point
Singapore 059413

Banker

The Development Bank of Singapore Limited

Auditor

Ernst & Young LLP

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Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of Halogen Foundation (Singapore) (the "Foundation") for the financial year ended 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the accompanying balance sheet, statement of comprehensive income, statement of changes in funds and cash flows together with notes thereto, are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 December 2015 and the financial performance, changes in funds and cash flows of the Foundation for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

Directors

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

Lim Soon Hock (Chairman)
Tam Chee Chong (Treasurer)
Ann Tan Sian Ann (Dr)
Cho Pei Lin (Zhu Peilin)
Martin Tan Beng Chong (Chen Mingzong)
Thong Yuen Siew Jessie
William Bruce Grahame Padfield
Ramlee Bin Buang
Mark John Sayer

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

As the Foundation is a company limited by guarantee and not having a share capital, the statutory information required to be disclosed in the directors' statement under Section 201(6)(g) of the Singapore Companies Act, Chapter 50 does not apply.

Directors' contractual benefits

Since the end of the previous financial year:

(a) Except as disclosed in note (b) below, no other director of the Foundation has been paid any remuneration for being a director of the Foundation saves for reasonable reimbursements incurred by them in connection with their office as a director pursuant to Article 7.5 of the Articles of Association.

(b) No director of the Foundation has received or become entitled to receive a benefit by reason of a contract made by the Foundation or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors

Lim Soon Hock (Chairman)
Director

Tam Chee Chong (Treasurer)
Director

Singapore
23 May 2016

Independent auditor's report to the members of Halogen Foundation (Singapore)

Report on the financial statements

We have audited the accompanying financial statements of Halogen Foundation (Singapore) (the "Foundation"), which comprise the balance sheet as at 31 December 2015, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Foundation as at 31 December 2015 and of the financial performance, changes in funds and cash flows of the Foundation for the financial year ended on that date.

Independent auditor's report to the members of Halogen Foundation (Singapore)

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

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

a. The use of the donation moneys was not in accordance with the objectives of the Foundation as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

b. The Foundation has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore
23 May 2016

Balance sheet
As at 31 December 2015

	Note	2015 $	2014 $
Members' guarantee			
Members' guarantee at $10 each	4	100	90
Accumulated surplus/(deficit)		1,539,241	(145,916)
Non-current asset			
Plant and equipment	5	36,909	28,738
Current assets			
Trade and other receivables	6	69,075	68,118
Prepaid operating expenses		1,514	751
Cash at bank and fixed deposits	7	1,720,641	–
		1,791,230	68,869
Current liabilities			
Trade payables and accruals	8	78,882	147,502
Deferred income	9	210,016	83,915
Bank overdrafts		–	12,106
		288,898	243,523
Net current assets/(liabilities)		1,502,332	(174,654)
Net assets/(liabilities)		1,539,241	(145,916)

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

Halogen Foundation (Singapore)

Statement of comprehensive income
For the financial year ended 31 December 2015

	Note	2015 $	2014 $
Income			
Sponsorships in kind		56,373	94,932
Donations (including fund raising)	10	1,544,837	299,503
Grants	11	611,313	37,690
Sales of event tickets		10,754	19,152
Academy income		513,158	280,596
Merchandise sales		1,881	3,106
Other income	12	33,794	17,223
		2,772,110	752,202
Less: operating expenditures			
Academy expenses		296,332	77,302
Other expenses (including cost for fund raising expenses)		206,395	299,407
Depreciation of plant and equipment	5	18,225	19,558
Rental expense		68,294	68,972
Staff costs		497,648	509,215
Interest expense		59	140
		1,086,953	974,594
Surplus/(deficit) before taxation	13	1,685,157	(222,392)
Income tax expenses	14	–	–
Surplus/(deficit) transferred to accumulated funds		1,685,157	(222,392)

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

Statement of changes in funds
For the for the financial year ended 31 December 2015

	Restricted funds $	Operating funds $	Total accumulated surplus/(deficit) $
2015			
Balance at 1 January 2015	–	(145,916)	(145,916)
Surplus for the financial year	115,999	1,569,158	1,685,157
Balance at 31 December 2015	115,999	1,423,242	1,539,241
2014			
Balance at 1 January 2014	3,429	73,047	76,476
Deficit for the financial year	(3,429)	(218,963)	(222,392)
Balance at 31 December 2014	–	(145,916)	(145,916)

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

Statement of cash flows
For the financial year ended 31 December 2015

	2015 $	2014 $
Operating activities		
Surplus/(deficit) before taxation	1,685,157	(222,392)
Adjustments:		
Depreciation of plant and equipment	18,225	19,558
Interest expense on bank overdrafts	59	140
Operating cash flows before changes in working capital	1,703,441	(202,694)
Changes in working capital		
(Increase)/decrease in trade and other receivables	(957)	56,280
(Increase)/decrease in prepaid operating expenses	(763)	5,758
Increase/(decrease) in trade payables and accruals	24,836	(5,000)
Increase in deferred income	126,101	80,915
Cash flows generated from/(used in) operations	1,852,658	(64,741)
Interest expense paid	(59)	(140)
Net cash flows generated from/(used in) operating activities	1,852,599	(64,881)
Investing activity		
Purchase of plant and equipment, representing net cash flows used in investing activity	(26,396)	(3,475)
Financing activity		
Repayment of loans from directors, representing net cash flows used in financing activity	(93,456)	–
Net increase/(decrease) in cash and cash equivalents	1,732,747	(68,356)
Cash and cash equivalents at 1 January	(12,106)	56,250
Cash and cash equivalents at 31 December (Note 7)	1,720,641	(12,106)

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

1. General

Halogen Foundation Singapore (the "Foundation") is domiciled and incorporated in Singapore as a Foundation limited by guarantee and not having a share capital. The Foundation was registered as a charity under the Charities Act with effect from 15 November 2003 and was first awarded the Institution of Public Character ("IPC") status on 16 November 2007 for a period of one year, expiring on 15 November 2008. The IPC status has since been renewed on 1 October 2015 and is effective for a further period of two years, expiring on 30 September 2017.

The registered office of the Foundation is located at 133 New Bridge Road, #13-10 Chinatown Point, Singapore 059413.

The principal activities of the Foundation, a charitable organisation, are to undertake, pursue, promote and advance educational, leadership and entrepreneurial causes and activities among young leaders and entrepreneurs irrespective of race, creed or religion. The Foundation relies mainly on sponsorships, grants and donations to fund such activities for needy and underprivileged youth.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Foundation have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as issued by the Accounting Standards Council of Singapore as well as all related Interpretations to FRS ("INT FRS"), the Companies Act, Chapter 50, and the Statement of Recommended Accounting Practice 6 "Accounting and Reporting by Charities" issued by the Institute of Singapore Chartered Accountant. The Foundation is also subject to the provisions of the Charities Act, Cap. 37. Where presentation guidance set out in the Statement of Recommended Accounting Practice 6 is consistent with the requirements of FRS, the Foundation has sought to prepare the financial statements on a basis compliant with the recommendations of RAP 6.

The financial statements have been prepared on a historical cost basis except for fair value policies as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars ("SGD" or "$").

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Foundation has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Foundation.

2. Summary of significant accounting policies (continued)

2.3 *Standards issued but not yet effective*

The Foundation has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	*Effective for annual periods beginning on or after*
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 16 and FRS 41 *Agriculture - Bearer Plants*	1 January 2016
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Improvements to FRSs (November 2014)	
- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
- Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
- Amendments to FRS 19 *Employee Benefits*	1 January 2016
- Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be confirmed
Amendments to FRS *1 Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Foundation include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

2. Summary of significant accounting policies (continued)

2.3 *Standards issued but not yet effective (continued)*

FRS 115 *Revenue from Contracts with Customers (continued)*

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Foundation is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Foundation to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Foundation is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

2.4 *Foreign currencies*

The Foundation's financial statements are presented in Singapore Dollars, which is also the Foundation's functional currency.

Transactions in foreign currencies are measured and recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit or loss.

2. Summary of significant accounting policies (continued)

2.5 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Furniture and fittings	-	3 years
Renovation	-	5 years
Office equipment	-	2 years
Computers	-	3 years
Software	-	5 years

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

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

An item of plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 *Impairment of non-financial assets*

The Foundation assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Foundation makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (continued)

2.7 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Foundation becomes a party to the contractual provisions of the financial instrument. The Foundation 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.

Subsequent measurement - 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 profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised 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 profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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 profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (continued)

2.7 *Financial instruments (continued)*

(b) *Financial liabilities (continued)*

De-recognition

A financial liability is derecognised 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 profit or loss.

2.8 *Impairment of financial assets*

The Foundation assesses at each reporting period whether there is any objective evidence that a financial asset is impaired:

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Foundation 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 Foundation determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a Foundation of financial assets with similar credit risk characteristics 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 financial assets carried at amortised cost has been 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 discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Foundation 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 amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.9 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. It includes bank overdrafts that form an integral part of the Foundation's cash management

2.10 *Provisions*

Provisions are recognised when the Foundation has 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using 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.

2.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with favourable interest is regarded as additional government grant.

2.12 *Funds*

Operating funds

Operating Funds include funds to manage the daily operations of the Foundation.

Restricted funds

Donations to fund designated projects are taken directly to the restricted funds.

Income, expenditure, assets and liabilities of all funds are pooled in the income statement and balance sheet.

2. Summary of significant accounting policies (continued)

2.13 *Employee benefits*

(a) *Defined contribution plans*

The Foundation makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.14 *Leases*

As lessee

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

2.15 *Revenue recognition*

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

(a) *Grants*

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

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rendering of services*

Revenue from rendering of services, which include Young Leaders Academy income and event management income that are of short duration, are recognised when the services are completed.

2. Summary of significant accounting policies (continued)

2.15 *Revenue recognition (continued)*

(d) *Donations and sponsorships*

Revenue from committed donations from government agencies are recognised when government agencies provide written commitments and there is no uncertainties regarding receipts.

Revenue from other donations and sponsorships are recognised when received.

2.16 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation.

Contingent liabilities and assets are not recognised on the balance sheet of the Foundation, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

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

4. Membership

The members of the Foundation comprise Martin Tan Beng Chong, Melissa Aratani Kwee Mei Wan, Palmer Michael Anthony, Lim Soon Hock,Tam Chee Chong, Cho Pei Lin, Ann Tan Sian Ann (Dr), Thong Yuen Siew Jessie, Mark John Sayer and Ramlee Bin Buang.

The Memorandum of Association of the Foundation provides that the liability of the Foundation members is limited and each member undertakes to contribute $10 to the assets of the Foundation in the event of it being wound-up during the time he is a member, or within one year afterwards for payment of the debts and liabilities of the Foundation contracted before he ceases to be a member.

5. Plant and equipment

	Furniture and fittings $	Renovation $	Office equipment $	Computers $	Software $	Total $
Cost:						
At 1 January 2014	7,328	47,048	43,320	23,442	37,350	158,488
Additions	–	–	2,114	1,361	–	3,475
At 31 December 2014 and at 1 January 2015	7,328	47,048	45,434	24,803	37,350	161,963
Additions	–	18,420	–	7,976	–	26,396
At 31 December 2015	7,328	65,468	45,434	32,779	37,350	188,359
Accumulated depreciation:						
At 1 January 2014	6,853	20,158	43,238	12,293	31,125	113,667
Charge for the financial year	129	7,174	698	5,332	6,225	19,558
At 31 December 2014 and at 1 January 2015	6,982	27,332	43,936	17,625	37,350	133,225
Charge for the financial year	160	11,779	1,058	5,228	–	18,225
At 31 December 2015	7,142	39,111	44,994	22,853	37,350	151,450
Net carrying amounts:						
At 31 December 2014	346	19,716	1,498	7,178	–	28,738
At 31 December 2015	186	26,357	440	9,926	–	36,909

6. Trade and other receivables

	2015 $	2014 $
Trade receivables	44,047	7,093
Grant receivables	–	37,330
Other receivables	6,192	8,860
Refundable deposits	18,836	14,835
Total trade and other receivables	69,075	68,118
Add: Cash and cash equivalents (Note 7)	1,720,641	–
Total loan and receivables	1,789,536	68,118

Trade receivables

Trade receivables are non-interest bearing and are on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on recognition.

Receivables that are past due but not impaired

The Foundation has receivables amounting to approximately $27,300 (2014: $3,554) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	2015 $	2014 $
Trade receivables past due:		
Lesser than 30 days	27,300	3,554

7. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	2015 $	2014 $
Cash at bank	970,641	–
Fixed deposit	750,000	–
Bank overdrafts	–	(12,106)
Cash and cash equivalents/(bank overdraft)	1,720,641	(12,106)

8. Trade and other payables

	2015 $	2014 $
Trade payables	16,493	20,888
Amount due to a director	–	93,456
Accrued operating expenses	58,661	27,060
Other payables	3,728	6,098
Total trade and other payables	78,882	147,502
Add: Bank overdrafts	–	12,106
Total financial liabilities at amortised cost	78,882	159,608

Trade payables

Trade payable are trade in nature, non-interest bearing and are normally settled on 30 to 60 days' terms.

Amount due to director relates to expenses paid on the Foundation's behalf. The director has agreed not to recall the amount until cash flow of the foundation permits. The amount has been fully paid during the financial year.

9. Deferred income

Deferred income represents consideration received for services not yet rendered.

10. Donations

The Foundation was first awarded the Institution of Public Character ("IPC") status on 16 November 2007 for a period of one year, expiring on 15 November 2008. The IPC status has since been renewed on 1 October 2015 and is effective for a further period of two years, expiring on 30 September 2017.

As an IPC, the Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 3 times tax deduction for the donations made to the Foundation in conjunction with SG50. The tax-exempt receipts for donations collected during the year are as follows:

	2015 $	2014 $
Tax-exempt receipts issued	815,957	296,503
Non tax-exempt receipts	728,880	3,000
	1,544,837	299,503

Tax-exempted receipts issued $815,957 (2014:$296,503) as per IPC Return of Tax-Deductible Donations.

11. Grant

	2015 $	2014 $
National Youth Fund	25,000	25,000
Salesforce.com Foundation	10,655	12,690
National Council of Social Services	545,043	–
Tides Foundation	3,000	–
Salesforce Health	13,500	–
Silicon Valley Community Foundation	14,115	–
	611,313	37,690

The grants are for the purposes of partnership between Halogen Foundation Singapore and respective grantors projects undertaken by the Foundation.

12. Other income

	2015 $	2014 $
Wages Credit Scheme	14,216	12,214
Reimbursement from Ministry of Manpower	1,635	1,996
Miscellaneous income	16,001	3,013
Interest income	1,942	–
	33,794	17,223

13. Surplus/(deficit) before taxation

The following items have been included in arriving at surplus/(deficit) before taxation:

	2015 $	2014 $
Audit fee	(3,947)	(3,837)
Depreciation of plant and equipment	(18,225)	(19,558)
Rental expense	(63,070)	(63,070)
Staff cost		
- Salaries and bonus	(390,191)	(388,009)
- CPF contribution	(64,695)	(59,105)

14. Income tax expense

The Foundation has been registered as a Charity under the Charities Act, Chapter 37. Being a Charity, the Foundation is exempted from income tax.

15. Operating lease commitments

Operating lease commitments - as lessee

The Foundation leases its office unit under a non-cancellable lease. The lease is for a period of 2 years with no renewal option or contingent rent provision included in the contracts.

The Foundation is not restricted from subleasing its premises to third parties. Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December amounted to $63,070 (2014: $63,070).

The future minimum rentals under the non-cancellable lease as of 31 December 2015 are as follows:

	2015	**2014**
	$	$
Within one year	63,624	37,479
After one year but less than five years	44,524	16,920
	108,148	54,399

16. Related parties transactions

	2015	**2014**
	$	$
Compensation of key management personnel		
Short-term employee benefits	58,238	–
CPF contributions	11,647	–
Total compensation paid to key management personnel	69,885	–

There are no compensation paid to executive directors for financial year ended 2015 and 2014.

17. Restricted and operating funds

Total accumulated surplus/(deficit) of the Foundation of $1,541,697 (2014: $(142,902)) comprises of the following:

	2015 $	2014 $
Restricted funds		
New & Emerging Initiatives Fund	–	–
- Accumulated surplus as at 1 January	–	–
- Funds received during the financial year	100,000	–
- Funds utilised during the financial year	(10,985)	–
- Accumulated surplus as at 31 December	89,015	–
Tote Board Social Service Fund	–	–
- Accumulated surplus as at 1 January	–	–
- Funds received during the financial year	135,354	–
- Funds utilised during the financial year	(108,370)	–
- Accumulated surplus as at 31 December	26,984	–
Cambridge-Halogen Youth Leadership Program		
- Accumulated surplus as at 1 January	–	3,429
- Funds received during the financial year	–	–
- Funds utilised during the financial year	–	(3,429)
- Accumulated surplus as at 31 December	–	–
Accumulated surplus as at 31 December	115,999	–
Operating funds		
Accumulated (deficit)/surplus as at 1 January	(145,916)	73,047
Funds received during the financial year	2,536,756	752,202
Funds utilised during the financial year	(967,598)	(971,165)
Accumulated surplus/(deficit) as at 31 December	1,423,242	(145,916)
Total accumulated surplus/(deficit)	1,539,241	(145,916)