

Foundation Registration No. 200308081M

Halogen Foundation (Singapore)

Annual Financial Statements
31 December 2016

Halogen Foundation (Singapore)

General information

Directors

Lim Soon Hock (Chairman)
Tam Chee Chong (Treasurer)
Ann Tan Sian Ann (Dr)
Cho Pei Lin (Zhu Peilin)
Lim Hwee Seh
Mark John Sayer
Martin Tan Beng Chong (Chen Mingzong)
Ramlee Bin Buang
Thong Yuen Siew Jessie
William Bruce Grahame Padfield (Resigned on 31 March 2017)

Finance and Establishment Committee

Tam Chee Chong (Chairperson)
Lim Soon Hock
Martin Tan Beng Chong (Chen Mingzong)
William Bruce Grahame Padfield (Co-Chairperson) (Resigned on 31 March 2017)

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 Hwee Seh
Lim Soon Hock
Martin Tan Beng Chong (Chen Mingzong)
Thong Yuen Siew Jessie

Awards Committee

Cho Pei Lin (Chairperson)
Mark John Sayer (Co-Chairperson)
Lim Hwee Seh
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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Halogen Foundation (Singapore)

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 2016.

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 statement of 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 2016 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)
Lim Hwee Seh
Mark John Sayer
Martin Tan Beng Chong (Chen Mingzong)
Ramlee Bin Buang
Thong Yuen Siew Jessie

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.

Halogen Foundation (Singapore)

Directors' statement

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 2017

Halogen Foundation (Singapore)

Independent auditor's report
For the financial year ended 31 December 2016

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

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Halogen Foundation (Singapore) (the "Foundation"), which comprise the balance sheet as at 31 December 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Charities Act, Chapter 37 (the Charities Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2016 and the results, changes in equity and cash flows of the Foundation for the period 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 Foundation 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 other information. The other information comprises General information and Directors' statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Halogen Foundation (Singapore)

**Independent auditor's report
For the financial year ended 31 December 2016**

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

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Charities Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Foundation'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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a going concern.

Halogen Foundation (Singapore)

Independent auditor's report
For the financial year ended 31 December 2016

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

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.

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 2017

Halogen Foundation (Singapore)

Balance sheet

As at 31 December 2016

	Note	2016 \$	2015 \$
Members' guarantee			
Members' guarantee at \$10 each	4	110	110
Accumulated surplus		2,336,753	1,539,241
Non-current asset			
Plant and equipment	5	20,031	36,909
Current assets			
Trade and other receivables	6	92,281	69,075
Prepaid operating expenses		31,655	1,514
Cash and short-term deposit	7	2,320,977	1,720,641
		2,444,913	1,791,230
Current liabilities			
Trade payables and accruals	8	81,921	78,882
Deferred income	9	46,270	210,016
		128,191	288,898
Net current assets		2,316,722	1,502,332
Net assets		2,336,753	1,539,241

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 2016

	Note	2016 \$	2015 \$
Sponsorships in kind		44,379	56,373
Donations (including fund raising)	10	556,728	1,544,837
Grants	11	833,184	611,313
Sales of event tickets		7,968	10,754
Academy income		581,666	513,158
Merchandise sales		1,726	1,881
Other income	12	47,882	33,794
		2,073,533	2,772,110
Less: operating expenditures			
Academy expenses		320,391	296,332
Other expenses (including cost for fund raising expenses)		235,207	211,619
Depreciation of plant and equipment	5	22,750	18,225
Rental expense		63,070	63,070
Staff costs		634,603	497,648
Interest expense		—	59
		1,276,021	1,086,953
Surplus before taxation	13	797,512	1,685,157
Income tax expenses	14	—	—
Surplus net of tax, representing total comprehensive income for the financial period		797,512	1,685,157

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

Halogen Foundation (Singapore)

Statement of changes in funds
For the for the financial year ended 31 December 2016

	Note	Restricted funds (Restated) \$	Operating funds (Restated) \$	Total accumulated surplus \$
2016				
Balance at 1 January 2016		203,025	1,336,216	1,539,241
(Deficit)/surplus for the financial year	20	(138,876)	936,388	797,512
Balance at 31 December 2016		64,149	2,272,604	2,336,753
2015				
Balance at 1 January 2015		–	(145,916)	(145,916)
Surplus for the financial year	20	115,999	1,569,158	1,685,157
Effect of prior year adjustment (Note 21)		87,026	(87,026)	–
Balance at 31 December 2015		203,025	1,336,216	1,539,241

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

Halogen Foundation (Singapore)

Statement of cash flows
For the financial year ended 31 December 2016

	2016 \$	2015 \$
Operating activities		
Surplus before taxation	797,512	1,685,157
Adjustments:		
Depreciation of plant and equipment	22,750	18,225
Interest expense	–	59
Interest income	(15,101)	(1,942)
Operating cash flows before changes in working capital	805,161	1,701,499
Changes in working capital		
(Increase)/decrease in trade and other receivables	(15,733)	985
Increase in prepaid operating expenses	(30,141)	(763)
Increase in trade payables and accruals	3,039	24,836
(Decrease)/increase in deferred income	(163,746)	126,101
Cash flows generated from operations	598,580	1,852,658
Interest expense paid	–	(59)
Interest income received	7,628	–
Net cash flows generated from operating activities	606,208	1,852,599
Investing activities		
Increase in fixed deposit	(1,153,740)	(750,000)
Purchase of plant and equipment	(5,872)	(26,396)
Net cash flows used in investing activities	(1,159,612)	(776,396)
Financing activity		
Repayment of loans from directors, representing net cash flows used in financing activity	–	(93,456)
Net (decrease)/increase in cash and cash equivalents	(553,404)	982,747
Cash and cash equivalents/(bank overdraft) at 1 January	970,641	(12,106)
Cash and cash equivalents at 31 December (Note 7)	417,237	970,641

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

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

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 place of business of the Foundation is located at 2 Orchard Link, #05-07B *SCAPE, Singapore 237978.

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.

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

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

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:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 7 Disclosure Initiative	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Improvements to FRSs (December 2016)	
(a) Amendments To FRS 112 Classification and Measurement of Share-based Payment Transactions	1 January 2017
(b) Amendments To FRS 28 Measuring as Associate or Joint Venture at fair value	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 102 Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
Amendments to FRS 104 Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 116 Leases	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 109 and FRS 116, 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 109 and FRS 116 are described below.

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. Summary of significant accounting policies (cont'd)

2.3 **Standards issued but not yet effective (cont'd)**

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees - leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Company expects the adoption of the new standard will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

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.

2.5 **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

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

2.5 *Plant and equipment (cont'd)*

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 (cont'd)

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 (cont'd)

2.7 *Financial instruments (cont'd)*

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

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 (cont'd)

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.

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

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

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.

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

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

2.15 Revenue recognition (cont'd)

(d) Donations and sponsorships

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

Revenue from other donations and sponsorships are recognised when cash or cheques are 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 year.

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, Ann Tan Sian Ann (Dr), Cho Pei Lin (Zhu Peilin) , Mark John Sayer, Ramlee Bin Buang, Thong Yuen Siew Jessie, William Bruce Grahame Padfield.

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.

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

5. Plant and equipment	Furniture and fittings \$	Renovation \$	Office equipment \$	Computers \$	Software \$	Total \$
Cost:						
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 and at 1 January 2016	7,328	65,468	45,434	32,779	37,350	188,359
Additions	—	—	569	5,303	—	5,872
Write-off	(1,409)	(11,180)	(35,098)	(5,230)	—	(52,917)
At 31 December 2016	5,919	54,288	10,905	32,852	37,350	141,314
Accumulated depreciation:						
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 and at 1 January 2016	7,142	39,111	44,994	22,853	37,350	151,450
Charge for the financial year	112	16,384	654	5,600	—	22,750
Write-off	(1,409)	(11,180)	(35,098)	(5,230)	—	(52,917)
At 31 December 2016	5,845	44,314	10,550	23,223	37,350	121,283
Net carrying amounts:						
At 31 December 2015	186	26,357	440	9,926	—	36,909
At 31 December 2016	74	9,974	356	9,629	—	20,031

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

6. Trade and other receivables

	2016 \$	2015 \$
Trade receivables	21,691	44,047
Other receivables	55,271	6,192
Refundable deposits	15,319	18,836
Total trade and other receivables	92,281	69,075
Add: Cash and short-term deposits (Note 7)	2,320,977	1,720,641
Total loan and receivables	2,413,258	1,789,536

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 \$8,356 (2015: \$27,300) 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:

	2016 \$	2015 \$
Trade receivables past due:		
Less than 30 days	5,956	27,300
31 to 60 days	2,400	—
	8,356	27,300

Receivables that are impaired

There are no receivables that are impaired as at financial year end.

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

7. Cash and short-term deposits

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

	2016 \$	2015 \$
Cash and short-term deposits	2,320,977	1,720,641
Less: Short-term deposits	(1,903,740)	(750,000)
Cash and cash equivalents	<u>417,237</u>	<u>970,641</u>

Short-term deposits are placed for approximately six months to one year and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits is 1.2% to 1.8% (2015: 0.4% to 0.6%) per annum.

8. Trade and other payables

	2016 \$	2015 \$
Trade payables	2,075	16,493
Accrued operating expenses	79,846	58,661
Other payables	–	3,728
Total trade and other payables, representing total financial liabilities at amortised cost	<u>81,921</u>	<u>78,882</u>

Trade payables

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

9. Deferred income

Deferred income represents consideration received for services not yet rendered.

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

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 2.5 times tax deduction for the donations made to the Foundation. The tax-exempt receipts for donations collected during the year are as follows:

	2016 \$	2015 \$
Tax-exempt receipts issued	308,827	815,957
Non tax-exempt receipts	247,901	728,880
	<u>556,728</u>	<u>1,544,837</u>

Tax-exempted receipts issued \$308,827 (2015: \$815,957) as per IPC Return of Tax-Deductible Donations. Non-tax exempt receipts for 2016 include deferred income of \$130,600, which was issued in 2015.

11. Grant Income

	2016 \$	2015 \$
Credit Suisse AG	28,266	–
Google Data Grant	20,000	–
National Youth Fund	–	25,000
National Council of Social Services (TBSSF)	205,367	135,354
National Council of Social Services (New and Emerging)	–	100,000
National Council of Social Services (Care & Share and Others)	346,640	309,689
Network For Teaching Entrepreneurship	13,374	–
Salesforce.com Foundation	13,435	10,655
Salesforce Health	–	13,500
Silicon Valley Community Foundation	13,399	14,115
Singapore Totalisator Board	152,843	–
Tata Communications Pte Ltd	39,860	–
Tides Foundation	–	3,000
Total grant income	<u>833,184</u>	<u>611,313</u>

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

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

12. Other income

	2016	2015
	\$	\$
Wages Credit Scheme	23,917	14,216
Temporary Employment Credit	4,141	–
Reimbursement from Ministry of Manpower	656	1,635
Interest income	15,101	1,942
Others	4,067	16,001
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	47,882	33,794

13. Surplus before taxation

The following items have been included in arriving at surplus before taxation:

	2016	2015
	\$	\$
Audit fee	(3,206)	(3,947)
Depreciation of plant and equipment	(22,750)	(18,225)
Rental expense	(63,070)	(63,070)
Staff cost		
- Salaries and bonus	(553,372)	(390,191)
- CPF contribution	(81,231)	(64,695)

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 2016 amounted to \$63,070 (2015: \$63,070).

15. Operating lease commitments (cont'd)

Operating lease commitments - as lessee (cont'd)

The future minimum rentals under the non-cancellable lease as of 31 December 2016 are as follows:

	2016	2015
	\$	\$
Within one year	63,070	63,624
After one year but less than five years	44,524	44,524
	107,594	108,148
	107,594	108,148

16. Related party transactions

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

	2016	2015
	\$	\$
<i>Compensation of key management personnel</i>		
Short-term employee benefits	59,888	58,238
CPF contributions	11,977	11,647
	71,865	69,885
Total compensation paid to key management personnel	71,865	69,885

No employees received more than \$100,000 in annual remuneration for the financial year ended 2016 and 2015. There is no compensation paid to executive directors for financial year ended 2016 and 2015.

17. Fair value of financial instruments

Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

18. Financial risk management objectives and policies

The Foundation is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk and credit risk. The board of directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below:

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations due to shortage of funds. The Foundation maintains sufficient liquidity by closely monitoring its cash flow and obtains financing via bank overdraft facility.

The table below summarises the majority profile of the Foundation's financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	Less than 1 year	
	2016	2015
	\$	\$
Trade and other payables	81,921	78,882

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The carrying amount of bank balances, trade and other receivables represent the Foundation's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

For receivables, the Foundation adopts the policy of dealing with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Foundation adopts the policy of dealing only with high credit rated counterparties.

Receivable balances are monitored on an on-going basis with the result that the Foundation's exposure to bad debts is not significant.

19. Capital management

The primary objective of the Foundation's capital management is to ensure that it maintains sufficient funds to support its operations.

The Foundation manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The immediate focus is to continue to optimise its operations with prudent cash management. The Foundation will continue to be guided by prudent financial policies.

There was no change to the Foundation's approach to capital management during the financial years ended 31 December 2016 and 31 December 2015.

Halogen Foundation (Singapore)

Notes to the financial statements For the financial year ended 31 December 2016

20. Operating and restricted funds

For financial statement disclosure purpose, the Foundation disclosed the statement of comprehensive income in relation to the programme “Halogen SPARK!” also known as The Network for Teaching Entrepreneurship (NFTE) which is a restricted fund. The disclosure includes the breakdown of expenditure on manpower, including staff salaries, bonuses and related costs.

Staff costs and overheads are allocated proportionally the Halogen SPARK! (NFTE) based on staff hours spent on the programme. This includes training and preparation, back-end operations and school & corporate engagement.

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

20. Operating and restricted funds (cont'd)

	Note	Operating funds \$	Halogen SPARK! (NFTE) \$	Total \$
FY2016				
Sponsorships in kind		44,379	–	44,379
Donations (including fund raising)		556,728	–	556,728
Grants		546,317	286,867	833,184
Sales of event tickets		7,968	–	7,968
Academy income		580,166	1,500	581,666
Merchandise sales		1,726	–	1,726
Other income		47,882	–	47,882
		1,785,166	288,367	2,073,533
Less: Operating expenditures				
Academy expenses		230,221	90,170	320,391
Other expenses (including cost for fund raising expenses)		235,207	–	235,207
Depreciation of plant and equipment		12,512	10,238	22,750
Rental expense		34,688	28,382	63,070
Staff costs	20(a)	336,150	298,453	634,603
		848,778	427,243	1,276,021
		936,388	(138,876)	797,512
		–	–	–
		936,388	(138,876)	797,512
Surplus/(deficit) before taxation				
Income tax expenses		–	–	–
		936,388	(138,876)	797,512
Surplus/(deficit) net of tax, representing total comprehensive income for the financial period				
		936,388	(138,876)	797,512

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

20. Operating and restricted funds (cont'd)

	Note	Operating funds \$	Halogen SPARK! (NFTE) \$	Total \$
FY2015				
Sponsorships in kind		56,373	—	56,373
Donations (including fund raising)		1,315,272	229,565	1,544,837
Grants		375,959	235,354	611,313
Sales of event tickets		10,754	—	10,754
Academy income		507,438	5,720	513,158
Merchandise sales		1,881	—	1,881
Other income		29,374	4,420	33,794
		2,297,051	475,059	2,772,110
Less: Operating expenditures				
Academy expenses		183,600	112,732	296,332
Other expenses (including cost for fund raising expenses)		206,395	—	206,395
Depreciation of plant and equipment		18,225	—	18,225
Rental expense		56,984	11,310	68,294
Staff costs	20(a)	349,656	147,992	497,648
Interest expense		59	—	59
		814,919	272,034	1,086,953
Surplus before taxation		1,482,132	203,025	1,685,157
Income tax expenses		—	—	—
Surplus net of tax, representing total comprehensive income for the financial period		1,482,132	203,025	1,685,157

Halogen Foundation (Singapore)

Notes to the financial statements
For the financial year ended 31 December 2016

20. Operating and restricted funds (cont'd)

(a) Staff costs

Staff costs for the year ended 31 December 2016 and 2015 comprises of the following:-

	Operating funds	Halogen SPARK! (NFTE)	Total
	\$	\$	\$
2016			
Salaries	239,364	210,104	449,468
Bonus	24,398	29,820	54,218
Central provident funds	43,314	37,917	81,231
Allowances	15,690	13,455	29,145
Medical and insurance	5,511	4,943	10,454
Levy	4,507	542	5,049
Staff training & development	1,698	—	1,698
Staff Welfare	1,668	1,672	3,340
	<hr/>	<hr/>	<hr/>
	336,150	298,453	634,603
	<hr/>	<hr/>	<hr/>
2015			
Salaries	230,897	111,723	342,620
Bonus	38,279	9,293	47,572
Central provident funds	46,058	18,637	64,695
Allowances	17,533	8,282	25,815
Medical and insurance	7,031	57	7,088
Levy	5,890	—	5,890
Staff training & development	823	—	823
Staff Welfare	3,145	—	3,145
	<hr/>	<hr/>	<hr/>
	349,656	147,992	497,648
	<hr/>	<hr/>	<hr/>

21. Comparatives figures

The Company had made certain reclassification to comparatives in the statement of changes in fund to conform to the current year presentation. The reclassification provides more relevant information about the classification of restricted and operating funds of the Foundation and there is no impact on the net surplus for the year.

	Balances as previously reported	Restatement	Balances as restated
	\$	\$	\$
Statement of changes in funds			
Operating Funds	1,423,242	(87,026)	1,336,216
Restricted Funds	115,999	87,026	203,025
	1,539,241	—	1,539,241
	1,539,241	—	1,539,241

22. Authorisation of financial statements for issue

The financial statements of the Foundation for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the board of directors on 23 May 2017.