



Annual Report 2016

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MESSAGE FROM THE BOARD

In 2016/2017, BinjaiTree supported various performing art projects that advocate awareness for mental health issues. These include:

- Nine Year Theatre Ltd's Chinese theatre production, Red Sky, which addresses aging, dementia and mental health.
- Playground Entertainment Ltd's collection of short plays, Project State of Mind, which address the stigma of mental illness and how mental illness affects the sufferer and their loved ones.
- TheatreLab's physical theatre, Under My Skin, which is inspired by personal narratives of maternity and postnatal depression.
- Ms Lalitha Subramony's dance theatre production, Finding Dignity, an exploration of mental illness through Bharatanatyam, a classical Indian dance.

One of BinjaiTree's beneficiaries, Caregivers Alliance Limited (CAL), had some highlights in 2016 as well:

- Participated in the Singapore Mental Health Conference, which took place from 27th till 28th May 2016. Organized by Institute of Mental Health (IMH), Agency for Integrated Care (AIC), Health Promotion Board (HPB), and National Council of Social Services (NCSS)
- As part of World Mental Health Day, took part in the Walk with Us, Stamp out Stigma event, which took place on 8th Oct 2016 along Orchard Road. This was in collaboration with IMH, AIC, HPD, NCSS and other Voluntary Welfare Organisations.

Another highlight is Shared Services for Charities Ltd (SSC) winning the Inaugural Charity Transparency Awards 2016. Awarded by The Charity Council, this award recognises charities with good disclosure practices.

Moving forward, BinjaiTree has made a three-year commitment to the Intercultural Theatre Institute (ITI). Conceived as a unique enterprise in theatre training, social and cultural interaction, and human understanding, ITI is an independent theatre school for contemporary artists.

BinjaiTree Team Members

Mr. Hsieh Fu Hua

Mr. Hong Chin Fock, Damian

Ms. Chan Chia Lin

Ms. Angela Chau

Mr. Hsieh Wen Piao

Mr. Ian Lau

CORPORATE INFORMATION

Company registration number	200818724G
Incorporation date	23 September 2008
Registered Address	177 River Valley Road #05-20 Liang Court Shopping Centre Singapore 179030
Charity registration	1 November 2008
Institution of a Public Character	IPC000646
Company Secretaries	Ms Chan Lai Yin Mr Teo Meng Keong
Banker	DBS Bank Limited
Auditors	Lo Hock Ling & Co.

MISSION & GUIDING PRINCIPLES

Mission

Our mission is purely charitable, serving the community by direct grant giving or through other means of support. We establish goals for our grant-making programmes and devise strategies to attain these goals. We optimise our time, effort and money by instituting a robust grant-making process. This allows us to choose the issues we want to champion and the groups to which we extend our aid. We want our resources not merely to support and nourish at a given time of need, but to serve well over the long term.

Grant-making Priorities

- Mental Health
- Shared Services For Charities
- Arts
- Charity & the Community

Guiding Principles

These guiding principles define our approach to our philanthropic work and directs our strategies and grant making. While many of them are fundamental to our operations, we remain open to amending them as we grow.

- We consider the larger picture and focus on the best way to bring sustained benefits to the community.
- We work to provide the greatest opportunity for our various beneficiaries to reach their goals and potential.
- We use our resources, funds and capabilities well.
- We value respect and trust as fundamental in our relationships with our beneficiaries, grantees and partners.
- We staunchly advocate and practise good governance in all our dealings.

BINJAITREE

UNIQUE ENTITY NUMBER: 200818724G

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



Independent member of
leading edge alliance

www.lohocklingco.com.sg

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BINJAITREE

CORPORATE INFORMATION 2016

1. INSTRUMENT SETTING UP THE COMPANY

Constitution of Binjaitree
(public company limited by guarantee and not having a share capital)

2. UNIQUE ENTITY NUMBER OF THE COMPANY

200818724G

3. INSTITUTION OF A PUBLIC CHARACTER

IPC000646

4. REGISTERED ADDRESS

177 River Valley Road #05-20
Liang Court Shopping Centre
Singapore 179030

5. BOARD OF DIRECTORS

Mr Hsieh Fu Hua (Alternate Director: Ms Hsieh Nizhen)
Mr Hong Chin Fock
Ms Angela Chau
Ms Tan Ai Neo Gracie (Alternate Director: Mr Hsieh Wen Piao)
Ms Chan Chia Lin

6. PRINCIPAL BANKERS

DBS Bank Ltd

7. INDEPENDENT AUDITORS

Lo Hock Ling & Co.
Chartered Accountants Singapore

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

(Co. Reg. No.: 200818724G)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2016.

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Hsieh Fu Hua

Hong Chin Fock

Angela Chau

Tan Ai Neo Gracie

Hsieh Nizhen (Alternate to Hsieh Fu Hua)

Hsieh Wen Piao (Alternate to Tan Ai Neo Gracie)

Chan Chia Lin

Arrangements to enable directors to acquire shares and debentures

The Company is a public company limited by guarantee and item 8 of the Twelfth Schedule of the Companies Act, Chapter 50 does not apply.

Directors' interests in shares or debentures

As the Company is limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under item 9 of the Twelfth Schedule of the Companies Act, Chapter 50 does not apply.

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

(Co. Reg. No.: 200818724G)

DIRECTORS' STATEMENT


Share options

The Company is registered as a public company limited by guarantee and does not have share capital.

Auditors

The Auditors, Messrs Lo Hock Ling & Co., have expressed their willingness to accept re-appointment.

On behalf of the board of directors,



Hsieh Fu Hua
Director



Hong Chin Fock
Director

Singapore, 1 June 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Binjaitree (the "Company") set out on pages 7 to 19, which comprise the following:

- balance sheet as at 31 December 2016;
- statement of financial activities for the year then ended;
- statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Charities Accounting Standard ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 3.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **BINJAITREE**

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Continued

Other Matter

The financial statements of the Company for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 3 June 2016.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Continued

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with 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 Company 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 year the use of the donation moneys was not in accordance with the objectives of the Company as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations.

The Company did not hold any fund-raising activity during the financial year.


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 1 June 2017

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Statement of Financial Activities for the year ended 31 December 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<u>INCOME</u>			
Income from generated funds			
- Voluntary income	3	612,500	417,000
- Investment income	4	<u>138,238</u>	<u>665,658</u>
Total Income		<u>750,738</u>	<u>1,082,658</u>
<u>EXPENDITURE</u>			
Charitable activities	5	3,199,047	617,512
Governance costs	6	24,671	23,625
Impairment loss on investment securities	9	<u>100,000</u>	<u>-</u>
Total Expenditure		<u>3,323,718</u>	<u>641,137</u>
(Deficit)/surplus of income over expenditure		(2,572,980)	441,521
Total funds brought forward		<u>9,433,651</u>	<u>8,992,130</u>
Total funds carried forward		<u>6,860,671</u>	<u>9,433,651</u>

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

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Balance Sheet as at 31 December 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	8	-	-
Investment securities	9	<u>5,617,922</u>	<u>7,435,802</u>
		<u>5,617,922</u>	<u>7,435,802</u>
<u>Current Assets</u>			
Investment securities	9	400,000	604,157
Other receivables	10	-	346,860
Cash and cash equivalents		<u>852,247</u>	<u>1,049,832</u>
		<u>1,252,247</u>	<u>2,000,849</u>
Total Assets		<u>6,870,169</u>	<u>9,436,651</u>
<u>FUND AND LIABILITIES</u>			
<u>Fund</u>			
Accumulated unrestricted fund		<u>6,860,671</u>	<u>9,433,651</u>
Total Funds		<u>6,860,671</u>	<u>9,433,651</u>
<u>Current Liability</u>			
Other payables	11	<u>9,498</u>	<u>3,000</u>
Total Liabilities		<u>9,498</u>	<u>3,000</u>
Total Fund and Liabilities		<u>6,870,169</u>	<u>9,436,651</u>

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

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

Statement of Cash Flows for the year ended 31 December 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
(Deficit)/surplus of income over expenditure		(2,572,980)	441,521
Adjustments for:			
Dividend income		(272,260)	(420,194)
Impairment loss on investment securities	9	100,000	-
Interest income		(122)	(124)
Loss/(gain) on disposal of investment securities		134,144	(245,340)
		(38,238)	(665,658)
Operating cash flows before working capital changes		(2,611,218)	(224,137)
Other receivables		346,860	(346,860)
Other payables		6,498	300
Changes in working capital		353,358	(346,560)
Net cash flows from operating activities		(2,257,860)	(570,697)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest received		122	124
Dividend received		272,260	420,194
Acquisition of investment securities		(1,716,046)	(728,017)
Disposal of investment securities		3,503,939	1,157,944
Net cash generated from investing activities		2,060,275	850,245
Net (decrease)/increase in cash and cash equivalents		(197,585)	279,548
Cash and cash equivalents, beginning balance		1,049,832	770,284
Cash and cash equivalents, ending balance	12	<u>852,247</u>	<u>1,049,832</u>

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

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS – 31 December 2016

The following notes form an integral part of the financial statements.

1. GENERAL

- (a) Binjaitree (the "Company") is domiciled and incorporated in the Republic of Singapore and its registered office is located at 177 River Valley Road, #05-20 Liang Court Shopping Centre, Singapore 179030.

The Company is a public company limited by guarantee whereby every member of the Company undertakes to contribute an amount not exceeding \$1 each, for payment of the debts and liabilities contracted by the Company in the event of the Company being wound up. The Company has 2 (2015: 2) members as at 31 December 2016.

The Company is a charity registered under the Charities Act, Cap. 37 with approved Institution of a Public Character ("IPC") status. The renewed IPC status is for a 3-year period from 1 November 2015 to 31 October 2018.

- (b) The principal activities of the Company consist of the provision of services which aim to improve the standard of human life and social well-being, in particular, the disadvantaged community.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Company presents its financial statements in Singapore dollars ("S\$"), which is also its functional currency.

These financial statements have been prepared in accordance with Singapore Charities Accounting Standard ("CAS").

These financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with CAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(b) Income Recognition

Income are included in the Statement of Financial Activities ("SoFA") when the Company becomes entitled to the income, the Company is virtually certain it will receive the income and the monetary value can be measured with sufficient reliability.

(i) Income with related expenditure

Where income has related expenditure (as with fundraising or contract income) the income and related expenditure are reported gross in the SoFA.

(ii) Grants and donations

Grants and donations are only included in the SoFA when the Company has unconditional entitlement to the receipts.

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income Recognition (continued)

(iii) Contractual income and performance related grants

These are only included in the SoFA once the related goods or services have been delivered.

(iv) Gifts in kind

Gifts in kind that are of substantial monetary value and can be estimated with sufficient reliability are accounted for at a reasonable estimate of their value to the Company or the amount actually realised.

(v) Donated services and facilities

These are only included in income (with an equivalent amount in expenditure) where the benefit to the Company is reasonably quantifiable, measurable and material. The value placed on these receipts is the estimated value to the Company of the service or facility received.

(vi) Investment income

Dividend and interest income are recognised in the financial statements when receivable. Gain or loss on sale of investment is recognised when realised during the financial year.

(c) Expenditure

Expenditure has been classified under headings that aggregate all costs related to those activities. Any expense that is directly attributable to the operating activities of a fund is charged to that fund. Common expenses, if any, are apportioned on a reasonable basis to the funds based on a method most suitable to that common expense unless it is impracticable to do so.

(i) Charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable activities of the Company. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost based on the time spent of staff related to charitable activities.

(ii) Governance costs

Governance costs include costs of the preparation and examination of statutory accounts, the costs of governing board meetings and cost of any legal advice for the governing board on governance or constitutional matters.

(d) Income Taxes

As a registered charity under the Charities Act, Cap.137, the Company is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

(e) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipment are capitalised if they can be used for more than one year and the cost is at least \$500.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Property, Plant and Equipment (continued)**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives as follows:

Office equipment	5 years
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Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end. The effects of any revisions are recognised in the SoFA for the financial year in which the changes arise.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is recognised in the SoFA in the year the asset is derecognised.

(f) Investments

An investment in a financial asset is initially measured at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the SoFA.

Subsequent to initial recognition, investments in financial assets are measured at cost less any accumulated impairment losses.

(g) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an impairment loss (i.e. expenditure) immediately in the statement of financial activities when such evidence exists.

An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

To determine whether there is objective evidence that an impairment loss has been incurred, the Company considers assessable data that come to the attention of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Impairment of financial assets (continued)**

In the case of other receivables, the amount of impairment loss is the difference between the financial asset's carrying amount and the undiscounted future cash flows, excluding unearned interest of interest-bearing assets that the Company expects to receive from the assets. In the case of equity investments classified as investments in financial assets, the impairment loss measured as the difference between the carrying amount of the investment and the best estimate of the amount that the Company would receive for the investment if it was to be sold at the balance sheet date. The impairment loss is recognised in the statements of financial activities.

The recognised impairment loss is subsequently reversed if the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment is recognised. The reversal shall not result in a carrying amount of the financial assets, net of any allowance account that exceeds what the carrying amount would have been had the impairment not previously been recognised. The reversal of impairment loss is recognised in the statements of financial activities.

(h) Other Receivables

Other receivables excluding prepayments are initially recognised at their transaction price, excluding transactions costs, if any. Transaction costs are recognised as expenditure in the SoFA as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, other receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

When there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying amount of the receivable and the undiscounted future cash flows (excluding unearned interest in the case of an interest-bearing receivable) that the Company expects to receive from the receivable. The amount of the impairment loss is recognised in the SoFA immediately.

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. The amount of the reversal is recognised in the SoFA immediately.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank which is subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

(j) Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(k) Other Payables**

Liabilities are recognised as soon as there is a present legal or constructive obligation committing the Company to the expenditure. Liabilities arise when the Company is under a present obligation to make a transfer of value to another party as a result of past transactions or events.

Other payables excluding accruals are recognised at their transaction price, excluding transactions costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the SoFA as incurred. Accruals are recognised at the best estimate of the amount payable.

Where a liability is not accrued because conditions have not been met, such a commitment are normally treated as a contingent liability. Contingent liabilities are not recognised on the balance sheet of the Company.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(m) Related Parties

Related parties include all of the following:

- (A) A person or a close member of that person's family is related to the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a governing board member, trustee or member of the key management personnel of the Company or of a parent of the Company.
- (B) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary company and fellow subsidiary company is related to the others);
 - (ii) The entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member) and vice versa;
 - (iii) The entity and the Company are joint ventures of the same third party;
 - (iv) The entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa;
 - (v) The entity is controlled or jointly controlled by a person identified in (A); and
 - (vi) A person identified in (A)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

3. VOLUNTARY INCOME

	<u>2016</u>	<u>2015</u>
	\$	\$
Donations received in cash from:		
- Founding director	600,000	400,000
- Charitable organisation/person	<u>12,500</u>	<u>17,000</u>
	<u>612,500</u>	<u>417,000</u>

As an IPC, the Company receives tax-deductible donations. During the financial year, the Company issued tax-exempt receipts for collected donations amounting to \$612,500 (2015: \$417,000).

4. INVESTMENT INCOME

	<u>2016</u>	<u>2015</u>
	\$	\$
Dividend income	272,260	420,194
Interest income from bank	122	124
(Loss)/gain on disposal of investment securities	<u>(134,144)</u>	<u>245,340</u>
	<u>138,238</u>	<u>665,658</u>

5. CHARITABLE ACTIVITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Grants made to organisation/beneficiaries (note 7)	3,181,246	611,127
Other expenses	<u>17,801</u>	<u>6,385</u>
	<u>3,199,047</u>	<u>617,512</u>

6. GOVERNANCE COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Independent auditors' fee	4,000	3,000
Legal and professional fee	18,968	18,968
Corporate secretarial fees	<u>1,703</u>	<u>1,657</u>
	<u>24,671</u>	<u>23,625</u>

BINJAITREE

(Incorporated in the Republic of Singapore and Limited by Guarantee)

7. GRANT MAKING

	<u>2016</u>	<u>2015</u>
	\$	\$
Ain Society	-	10,000
Arts House Limited	-	50,000
Assisi Hospice	20,000	20,000
Bright Vision Hospital	-	10,000
Caregivers Alliance Limited	18,000	-
Caritas	25,000	20,000
Club Heal	10,000	-
Community Chest	1,000,000	-
HealthServe Ltd	-	50,000
Heart to Heart Services – donations-in-kind	-	13,252
iC2 Prephouse Limited	-	10,000
Intercultural Theatre Institute Ltd	10,000	-
LASALLE	40,000	20,000
Malay Youth Literacy Association	5,000	10,000
Methodist Welfare Services	-	20,000
National Cancer Centre Singapore	15,000	-
National Gallery Singapore	1,890,000	-
National University of Singapore and its affiliates	8,500	76,000
Neon Studio	-	10,000
Playground Entertainment Limited	10,000	-
Singapore Association of the Visually Handicapped	-	10,000
SIM University	-	20,000
Singapore Anti-Narcotics Association	10,000	-
Singapore Association for Mental Health	20,000	-
Singapore Hospice Council	-	30,000
Singapore Institute of International Affairs	10,000	10,000
Singapore Symphonia Co Ltd	-	10,000
SMU Term Fund	-	25,000
St. Andrew's Mission Hospital	-	10,000
The Community Justice Centre Ltd	10,000	10,000
The Red Pencil (Singapore)	-	20,000
The Teng Ensemble Ltd	5,646	32,000
Trailblazer Foundation Ltd	-	15,000
Woodbridge Hospital Charity Fund	15,000	-
Yellow Ribbon Fund	10,000	20,000
Others	49,100	79,875
Total value of grants to charitable organisation/beneficiaries	<u>3,181,246</u>	<u>611,127</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment
	\$
<u>Cost</u>	
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	<u>2,418</u>
<u>Accumulated depreciation</u>	
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	<u>2,418</u>

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8. PROPERTY, PLANT AND EQUIPMENT (continued)

	Office equipment
	\$
<u>Carrying amount</u>	
At 31 December 2016	-
At 31 December 2015	-

9. INVESTMENT SECURITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
<u>Non-current assets</u>		
- Quoted equity shares at cost	4,724,919	7,228,784
- Unquoted equity shares at cost	993,003	207,018
	5,717,922	7,435,802
- Less: Allowance for impairment loss	100,000	-
	5,617,922	7,435,802
<u>Current assets</u>		
- Quoted funds at cost	400,000	604,157
	<u>6,017,922</u>	<u>8,039,959</u>

Quoted funds

Quoted funds offer the Company opportunity for return through fair value gain. They are managed by a Director. The fair values of these funds are based on the bid price on the last market day of the financial year.

Equity shares – quoted

Quoted equity shares offer the Company opportunity for return through dividend income and fair value gains. They have no fixed maturity. The fair values of these shares are based on the bid price on the last market day of the financial year.

Since the Company has adopted CAS as at 31 December 2012, the costs of these investments are deemed cost and will not be fair valued subsequently, with only assessment for impairment. The fair value reserve has been adjusted to investment securities available-for-sale.

Investment in securities in Singapore are denominated in Singapore dollars and investment securities based outside Singapore are in Hong Kong dollars and United States dollars. The breakdown is as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Singapore dollars	5,844,457	7,411,424
Hong Kong dollars	173,465	173,465
United States dollars	-	455,070
	<u>6,017,922</u>	<u>8,039,959</u>

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9. INVESTMENT SECURITIES (continued)

Equity shares – quoted (continued)

	\$	\$
Cost		
Balance brought forward	8,039,959	8,224,546
Additions	1,716,047	728,017
Disposals	(3,638,084)	(912,604)
Balance carried forward	6,117,922	8,039,959
Allowance for impairment loss	(100,000)	-
	<u>6,017,922</u>	<u>8,039,959</u>
Fair values	<u>6,669,392</u>	<u>9,031,993</u>

Impairment loss on investment securities recognised in year 2016 amounted to \$100,000 (2015: nil).

10. OTHER RECEIVABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Prepayments	<u>-</u>	<u>346,860</u>

11. OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Accruals	<u>9,498</u>	<u>3,000</u>

Accruals are non-interest bearing, unsecured and are normally settled within 30 days or on demand.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at the balance sheet date comprise bank balance.

13. CONFLICTS OF INTEREST POLICY

All members of the Board of Directors and staff members of the Company are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

During the current and previous financial year, none of the members of the Board of Directors or people connected with them:

- (a) have received remuneration, or other benefits, from the Company.
- (b) have received claims for services provided to the Company, either by way of reimbursements, allowances, or direct payment to a third party.

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14. RESERVES POLICY

The primary objective of the Company's reserves management policy is to ensure that it maintains optimal reserves in order to support its operations and the development of its principal activities.

The Company monitors its cash flow and overall liquidity position on a continuous basis, taking into consideration the prevailing and projected operating income and expenditure, and other financial obligations, including projected capital expenditure.

The Company is not subject to externally imposed reserves requirement.

There were no changes to the Company's approach to reserves management since the previous financial year.

15. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors dated 1 June 2017.