



Annual Report 2017

Contents

MESSAGE FROM THE BOARD	3
CORPORATE INFORMATION	5
MISSION & GUIDING PRINCIPLES.....	6
FINANCIAL INFORMATION	7

MESSAGE FROM THE BOARD

For the year 2017/2018, here are a few of BinjaiTree's notable contributions towards development of the arts;

- The Teng Ensemble - Taking inspiration from Singapore's heritage and culture, the Teng Ensemble presents music which bridges both traditional and contemporary, and that is accessible, educational and informative.
- OH! Emerald Hill - Set at Emerald Hill, this art walk organized by OH! Open House allows visitors to discover the story about this former nutmeg plantation through secret tours, art, and performances in homes and private spaces
- The Father & Dragonflies by Pangdemonium - With a belief that theatre should strive to surprise and inspire, Pangdemonium tells entertaining stories that tackle challenging issues, and are able to resonate globally.

As for new commitments, BinjaiTree will be supporting Artswok Collaborative for a period of two years starting in 2018. Artswok Collaborative is an arts-based community development organization that aims to create dialogue, invite social participation and build bridges across difference. Three of their flagship programmes are;

- Both Sides Now - A community centre project that touches upon end-of-life issues.
- M1 Peer Pleasure - Singapore's annual youth theatre festival held at Esplanade - Theatres on the Bay.
- The Greenhouse Series - A series of experiential workshops that brings together both arts practitioners and community workers.

We have also decided to continue supporting bursary funds for LASALLE College of the Arts. Started in 2015, the goal is to provide opportunities for disadvantaged students who are pursuing an arts-based education. BinjaiTree hopes that by continuing this fund, this will help to bolster both the arts education sector, and the development of emerging artists.

Towards improving the state of mental health, in 2017 we worked together with the National Council of Social Services to launch the Peer Support Specialist Programme. This programme is a competency-based training for individuals to leverage their lived experience to support others in their recovery from mental health issues.

Lastly, we have an announcement to make regarding one of our major beneficiaries, Caregivers Alliance Limited (CAL). After serving for six years, Dr. Sally Thio has stepped down as Executive Director of CAL. From everyone at BinjaiTree, we would like to thank Dr. Sally for her steadfast dedication and passion. We look forward to working with her in launching new initiatives.

Taking over as Executive Director is Tim Lee. We warmly welcome Tim onboard, and we will continue to support CAL's mission of improving the lives of family members and caregivers of persons with mental illness through outreach, support, and advocacy.

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 2017

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



Independent member of
leading **edge** alliance

www.lohocklingco.com.sg

Table Of Contents

Directors' Statement	1 – 2
Independent Auditor's Report	3 - 5
Statement of Financial Activities	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 18

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 2017.

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 2017 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, 12 June 2018

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Binjaitree (the "Company") set out on pages 6 to 18, which comprise the statement of financial position (balance sheet) as at 31 December 2017, and the statement of financial activities and 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"), Charities Act, Chapter 37 and other relevant regulations 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 2017 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 2.

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.

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.

Continued

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.
- 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.

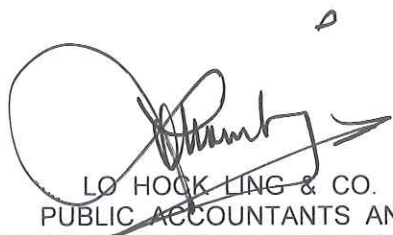
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Report on Other Legal and Regulatory Requirements (Continued)

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.

Singapore, 12 June 2018


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

BINJAITREE

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

Statement of Financial Activities for the year ended 31 December 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<u>INCOME</u>			
Income from generated funds			
- Donations	3	845,600	612,500
- Investment income	4	<u>585,235</u>	<u>138,238</u>
Total Income		<u>1,430,835</u>	<u>750,738</u>
<u>EXPENDITURE</u>			
Charitable activities	5	727,569	3,199,047
Governance costs	6	26,676	24,671
Impairment loss on investment securities	9	<u>685,985</u>	<u>100,000</u>
Total Expenditure		<u>1,440,230</u>	<u>3,323,718</u>
Deficit of income over expenditure		(9,395)	(2,572,980)
Total funds brought forward		<u>6,860,671</u>	<u>9,433,651</u>
Total funds carried forward		<u>6,851,276</u>	<u>6,860,671</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 Financial Position as at 31 December 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	8	-	-
Investment securities	9	4,091,218	5,617,922
		<u>4,091,218</u>	<u>5,617,922</u>
<u>Current Assets</u>			
Investment securities	9	400,000	400,000
Other receivables	10	619,913	-
Cash and cash equivalents		1,744,245	852,247
		<u>2,764,158</u>	<u>1,252,247</u>
Total Assets		<u>6,855,376</u>	<u>6,870,169</u>
<u>FUND AND LIABILITY</u>			
<u>Fund</u>			
Accumulated unrestricted fund		6,851,276	6,860,671
Total Fund		<u>6,851,276</u>	<u>6,860,671</u>
<u>Current Liability</u>			
Other payables	11	4,100	9,498
Total Liability		<u>4,100</u>	<u>9,498</u>
Total Fund and Liability		<u>6,855,376</u>	<u>6,870,169</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 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Deficit of income over expenditure		(9,395)	(2,572,980)
Adjustments for:			
Dividend income	4	(213,339)	(272,260)
Impairment loss on investment securities	9	685,985	100,000
Interest income	4	(124)	(122)
(Gain)/loss on disposal of investment securities	4	(371,772)	134,144
		<u>100,750</u>	<u>(38,238)</u>
Operating surplus/(deficit) before working capital changes		91,355	(2,611,218)
(Increase)/decrease in other receivables		(619,913)	346,860
(Decrease)/increase in other payables		(5,398)	6,498
Changes in working capital		<u>(625,311)</u>	<u>353,358</u>
Cash used in operations		(533,956)	(2,257,860)
Interest received		<u>124</u>	<u>122</u>
Net cash used in operating activities		(533,832)	(2,257,738)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Dividend received		213,339	272,260
Purchase of investment securities		(67,813)	(1,716,046)
Proceeds from disposal of investment securities		1,280,304	3,503,939
Net cash from investing activities		<u>1,425,830</u>	<u>2,060,153</u>
Net increase/(decrease) in cash and cash equivalents		891,998	(197,585)
Cash and cash equivalents at beginning of the year		<u>852,247</u>	<u>1,049,832</u>
Cash and cash equivalents at end of the year	12	<u><u>1,744,245</u></u>	<u><u>852,247</u></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 2017

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 (2016: 2) members as at 31 December 2017.

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 2016 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 disadvantage 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.

BINJAITREE

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

BINJAITREE

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

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.

BINJAITREE

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

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 a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (A); and

BINJAITREE

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Related Parties (continued)

(B) An entity is related to the Company if any of the following conditions applies:
(continued)

- (vii) 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. DONATIONS

	<u>2017</u>	<u>2016</u>
	\$	\$
Donations received:		
- Founding director	600,000	600,000
- Charitable organisation/person	245,600	12,500
	<u>845,600</u>	<u>612,500</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 \$845,600 (2016: \$612,500).

4. INVESTMENT INCOME

	<u>2017</u>	<u>2016</u>
	\$	\$
Dividend income	213,339	272,260
Interest income from bank	124	122
Gain/(loss) on disposal of investment securities	371,772	(134,144)
	<u>585,235</u>	<u>138,238</u>

5. CHARITABLE ACTIVITIES

	<u>2017</u>	<u>2016</u>
	\$	\$
Grants made to organisation/beneficiaries (note 7)	725,130	3,181,246
Other expenses	2,439	17,801
	<u>727,569</u>	<u>3,199,047</u>

BINJAITREE

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

6. GOVERNANCE COSTS

	<u>2017</u>	<u>2016</u>
	\$	\$
Independent auditors' fee	4,000	4,000
Legal and professional fee	20,497	18,968
Corporate secretarial fees	2,179	1,703
	<u>26,676</u>	<u>24,671</u>

7. GRANTS MADE TO ORGANISATION/BENEFICIARIES

	<u>2017</u>	<u>2016</u>
	\$	\$
Art Wok Collaborative Limited	20,000	-
Assisi Hospice	20,000	20,000
Beautiful People Sg Ltd	10,000	-
Caregivers Alliance Limited	-	18,000
Caregiving Welfare Associate	10,000	-
Caritas	-	25,000
Club Heal	40,000	10,000
Community Chest	-	1,000,000
Dentons Rodyk & Davidson LLP	10,000	-
Drama Box Ltd	12,000	-
HealthServe Ltd	10,000	-
Institute of Mental Health	10,000	-
Intercultural Theatre Institute Ltd	10,000	10,000
LASALLE College of the Arts	60,000	40,000
Malay Youth Literacy Association	-	5,000
Media for Social Change	10,000	-
Muhammad Qazim Bin Abdul Karim	15,000	-
National Cancer Centre Singapore	-	15,000
National Gallery Singapore	-	1,890,000
National University of Singapore and its affiliates	4,000	8,500
OH Open House Limited	30,000	-
Pangdemonium Theatre Company Ltd	20,000	-
Playground Entertainment Limited	-	10,000
Project Dignity Pte Ltd	62,000	-
Singapore Anti-Narcotics Association	5,000	10,000
Singapore Association for Mental Health	-	20,000
Singapore Institute of International Affairs	-	10,000
Singapore Symphonia Company Limited	10,000	-
The Community Justice Centre Ltd	-	10,000
The Red Pencil (Singapore)	20,000	-
The Teng Ensemble Ltd	238,600	5,646
The Theatre Practice Ltd	10,000	-
Touch Community Services Ltd	20,000	-
Woodbridge Hospital Charity Fund	-	15,000
Yellow Ribbon Fund	10,000	10,000
Others	58,530	49,100
Total value of grants to charitable organisation/beneficiaries	<u>725,130</u>	<u>3,181,246</u>

BINJAITREE

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

8. PROPERTY, PLANT AND EQUIPMENT

	Office equipment
	\$
<u>Cost</u>	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	<u>2,418</u>
<u>Accumulated depreciation</u>	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	<u>2,418</u>
<u>Carrying amount</u>	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

9. INVESTMENT SECURITIES

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Non-current assets</u>		
- Quoted equity shares at cost	3,884,200	4,724,919
- Unquoted equity shares at cost	<u>993,003</u>	<u>993,003</u>
	4,877,203	5,717,922
- Less: Allowance for impairment loss		
Balance at beginning of the year	100,000	-
Current year allowance	<u>685,985</u>	<u>100,000</u>
Balance at end of the year	<u>785,985</u>	<u>100,000</u>
	4,091,218	5,617,922
<u>Current assets</u>		
- Quoted funds at cost	<u>400,000</u>	<u>400,000</u>
	<u>4,491,218</u>	<u>6,017,922</u>

The Company has adopted CAS since 31 December 2012, the costs of these investments are deemed cost and will not be fair valued subsequently, with only assessment for impairment.

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Singapore dollars	4,317,753	5,844,457
Hong Kong dollars	<u>173,465</u>	<u>173,465</u>
	<u>4,491,218</u>	<u>6,017,922</u>

BINJAITREE

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

9. INVESTMENT SECURITIES (continued)

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Cost</u>		
Balance brought forward	6,117,922	8,039,959
Additions	67,813	1,716,047
Disposals	<u>(908,532)</u>	<u>(3,638,084)</u>
Balance carried forward	5,277,203	6,117,922
Allowance for impairment loss	<u>(785,985)</u>	<u>(100,000)</u>
	<u>4,491,218</u>	<u>6,017,922</u>
Fair values	<u>6,273,641</u>	<u>6,669,392</u>

10. OTHER RECEIVABLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Non-trade receivables	19,913	-
Application monies for quoted funds	<u>600,000</u>	<u>-</u>
	<u>619,913</u>	<u>-</u>

During the year, the company has purchased 493 warrants with a fixed interest rate at 1.80% per annum non-convertible senior notes with a tenor of 39 months. The Company has the right to subscribe for one new share at the exercise price of US\$31.80 after 6 January 2021 ("maturity date") or redeem the warrants on maturity date at the nominal amount of the warrants together with interest accrued to the maturity date.

As at 31 December 2017, application monies for quoted funds amounting to \$600,000 represented monies paid to fund management company for subscription of new quoted funds that would be issued subsequent to the end of the reporting year. The quoted funds have been issued by the fund management company on 10 January 2018.

11. OTHER PAYABLES

	<u>2017</u>	<u>2016</u>
	\$	\$
Accruals	<u>4,100</u>	<u>9,498</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 comprise bank balance as shown in the statement of financial position.

BINJAITREE

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

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

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 2017 were authorised for issue in accordance with a resolution of the directors dated 12 June 2018.