

Thye Hua Kwan Moral Charities Limited Annual Report FY 2012

IMAGINE



太和观 THK
大和观 LHK







IMAGINE... IMAGINE...

...the world being a better place!

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Hand in hand together...



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...we build a place where it is known as Home!

ABOUT US

MISSION STATEMENT

Mission

- To help anyone who needs help with full respect to their race, colour, creed, language, culture and religion.
- To assist them in every way possible

Vision

- To Serve Mankind

To Promote

- Love and care for each other, irrespective of any differences;
- Respect for each other's race, colour, creed, language, culture and religion;
- The universal virtues of filial piety, brotherliness, loyalty, trustworthiness, propriety, righteousness, incorruptibility, decency, humanity and wisdom;
- The Oneness of mankind;
- The transcending of all differences.

OBJECTIVES

- To promote good morals and virtues with full respect to their race, colour, creed, language, culture and religion.
- To help all people and to give relief to anyone in hardship, disaster or need, without discrimination as to race, colour, creed, language or religion; to carry out welfare work for the good of mankind, including rendering of free medicine and medical services, financial and personal support for those who are weak, old, poor, sick or disabled; the promotion of education, and the provision of free burial and funeral expenses, etc.
- To establish Family Service Centres or other community, social or welfare services for the general welfare of the community and to make rules of the management of such Centres or Services.

Only a life lived for others is a life worthwhile.
Albert Einstein



Can you imagine taking her smile away?

CHAIRMAN'S MESSAGE



In the blink of an eye, 2012 has come and gone, leaving behind a year of change and improvement.

Thye Hua Kwan Moral Charities (THKMC) is the

welfare arm of Thye Hua Kwan Moral Society (THKMS). It was incorporated with ACRA in October 2011.

THKMC was formed with the purpose of streamlining and restructuring the social services of THK into a new organisation. This has heightened our governance, efficiency and effectiveness. We have improved internal systems to better serve the community, stakeholders, funders and donors. With the merger of 9 IPCs and 5 SACs into one, THKMC has definitely realigned with the best practices.

We have increased our services in response to the needs of our community. The following new services were added between February 2012 to April 2013:

- THK ACE (February 2012)
- THK CARE Provider (February 2012)
- THK Seniors Group Home (March 2012)
- THK EIPIC @ Ang Mo Kio (May 2012)
- THK EIPIC @ Tampines (May 2012)
- THK SAC @ Toa Payoh (August 2012)
- THK SAC @ Ang Mo Kio 645 (August 2012)
- THK SAC @ Ang Mo Kio 257 (August 2012)
- THK SSC @ Taman Jurong (February 2013)
- THK Ensuite Care Services (February 2013)
- THK SAC (Cluster Support) @ Geylang (February 2013)
- THK SAC @ Ang Mo Kio 208 (April 2013)

We have now taken our governance and compliance to a higher level. With

effect from April 2013, the Board has strengthened with more Independent Directors. Out of 14 Board Members, 8 are Independent Directors. Every one of the 7 committees has a majority of Independent Directors. On the ground, the CEO is assisted by 9 Divisional Directors for Administration, Accounts, HR, Elderly, Disability, Family Service Centres, Disabled Homes, Seniors Activity Centres, EIPIC Centres and Specialised Services.

It has been a gratifying inaugural year for THKMC and I would like to thank everyone for your kind and unwavering support. This includes all our board members, donors and staff members, MSF, MOH, Tote Board, ComChest, NCSS and all our funders and advisors. Thanks to Board members for their invaluable counsel, etc. Without your support, our services would not have had the ability to help more people.

er-Racial Inter-Religious Harmony Nite 2012



Multi-racial and multi-religious harmony

Guests-of-Honour

President and Mrs Tony Tan Keng Yam

Date: 27 July 2012 Saturday

Venue: Marina Bay Sands Grand Ballroom



4th from Left: Guest-of-Honour President Tony Tan Keng Yam

BOARD OF DIRECTORS



Patron

Mr S R Nathan

Board of Directors

1. Mr Lee Kim Siang, Chairman
2. Mr Phillip Tan Eng Seong, Vice Chairman
(resigned on 12 September 2013)
3. Mr Chew Heng Ching, Vice Chairman
4. Mr Robert Tock Peng Cheong, Secretary
5. Mr Lee Choon Huat, Treasurer
6. Mr James Koh Cher Siang, Member
7. Mr Zulkifli Bin Baharudin, Member
8. Mr Rajendran s/o Sinnathamby, Member
9. Mr Khoo Meng Chew, Member
10. Mr Tan Chai Kim, Member
11. Mr Goh Tok Mong, Member
12. Mr Tein Kek Sin, Member

ORGANISATION CHART

Dr Lee Ngak Siang
CEO

**ADMIN &
OPERATIONS**
Jason Lee
(Divisional
Director)

ACCOUNTS
Ong Kam Chow
(Divisional
Director)

**HUMAN
RESOURCE**
Goh Khon Chong
(Divisional
Director)

**EIPIC
CENTRES**
Agatha Tan
(Divisional
Director)

**FAMILY
SERVICE
CENTRES,
YOUTH &
SPECIALISED
SERVICES**
Amy Koh
(Divisional
Director)

**HOMES FOR
DISABLED**
Ardi S Hardjoe
(Divisional
Director)

**SENIORS
ACTIVITY
CENTRES,
THERAPY
SERVICES &
VOLUNTEER
MANAGEMENT**
Joseph Cheong
(Divisional
Director)

**CENTRES
FOR FAMILY
HARMONY
CLINICAL
SERVICES
& FAMILY
SERVICE
(WEST)**
Dr Katijah
Dawood
(Divisional
Director)

**ELDERLY
AND
DISABILITY**
Satyaprakash
Tiwari
(Divisional
Director)

CORPORATE GOVERNANCE

Banker: Oversea-Chinese Banking
Corporation Limited
Auditors: KPMG

UEN No.: 201130733N
IPC No.: IPC000747

Enhancing organisation's abilities

Within the 1st year of operation, THKMC has undergone more stringent policies throughout the organisations. Streamlining all operations from 9 IPCs into 1 IPC has proven to be a challenge but will reap the benefits of strict and structured corporate governance, transparency and decision making.

THKMC has established the following committees:

- Audit Committee
- Finance Committee
- Fundraising Committee
- Human Resource Committee
- Investment Committee
- Nomination & Appointment Committee
- Programs & Services Committee

Milestone decisions made in 2012:

- Appoint Grant Thornton as internal auditor
- Appoint HR Consultants to evaluate HR practices
- Set up new services for the elderly
- Appoint Bank of Singapore to manage investments
- The Board has conducted an evaluation checklist for Year 2012/2013

*I can't change the direction
of the wind, but I can
adjust my sails to always
reach my destination.*

Jimmy Dean

CORPORATE GOVERNANCE: RELATED PARTIES

For the purpose of the Annual Report, parties are considered to be related to the Company if the Company has the ability, directly, or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The Board of Directors and Chief Executive Officer are considered as key management personnel of the Company.

Key management personnel compensation comprised:

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Short-term employees' benefits	280,000	-
Post-employment benefits (including CPF)	6,500	-
	<hr/>	<hr/>

The company receives services from the Board of Directors and no remuneration is paid for their services.

Other related party transactions

During the year, other than disclosed elsewhere in the Annual Report, there were the following transactions with related parties carried out on terms agreed between the parties:

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Programme income from affiliated charities	105,124	-
Management fees paid to an affiliated charity	(102,378)	-
Service fees paid to an affiliated charity	(679,612)	-
Purchase of goods from affiliated charities	(835,233)	-
Purchase of goods from a related company	(144,579)	-
Compensation paid to close family members of key management personnel of the Company	(329,725)	-

CORPORATE GOVERNANCE: POLICY ON CONFLICT OF INTERESTS

Objectives

1. To set out the policy and administrative procedures for the Board members, staff and volunteers to undertake and disclose as part of the governance practices.
2. To ensure any Board members, staff and volunteers serving THKMC will act in the best interest of the Company instead of any vested or personal interest or interest of the third parties.
3. To prevent conflict of interest and to safeguard the Board/Company's integrity and accountability.

Scope

4. This policy shall apply to the Board members, staff and volunteers being employed by the Company.

Definition of Conflict of Interests

5. Conflict of interests arise whenever the personal or professional interests of Board members, staff or volunteers

interfere with the performance of their official duties or with their decision-making on matters related to the Company. Conflict of interests situations include those actual, potential or perceived.

6. Conflict of interests situation may include but are not limited to those stipulated in *Annex A*.

Policies and Procedures

7. The Conflict of Interests policy should be read and understood by all Board members, and staff upon the commencement of their term of office or employment. Declarations of interests are required to be submitted to the Company upon assuming office or commencement of work. The Company shall be informed or any subsequent changes in personal or professional interests.
8. Disclosure involving Board members should be made to the Board Chairman (or if he/she is the one with

the conflict, to the Board Vice-Chairman) who shall bring these matters to the Board of Directors.

9. As and when actual conflicts occur the Board member, staff and volunteer shall make a declaration of his/her interest for that specific instance in writing (Conflict of Interests Disclosure Form) and excuses himself / herself from decision making.
10. Transactions with parties with whom a conflicting interest exists may be permitted only if all of the following are observed:
 - i) The conflicting interest is to be fully disclosed;
 - ii) The person with the conflict of interests is to abstain from the discussion, voting and approval of such a transaction;
 - iii) Competitive bids or comparable valuation is to be obtained; and
 - iv) The Board of Directors has determined that the transaction is in the best interest of the Company

though there may be a conflict of interests.

11. The Board members shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorised as just, fair and reasonable to the Company. The decision of the remaining Board members on these matters shall rest in their sole discretion, and their concern must be the welfare of the Company and the advancement of its purpose.
12. All decisions made by the Board members on such matters shall be recorded and filed.
- 13 Any disclosure of interest made by Board members, staff or volunteers where they may be involved in a potentially conflicting situation(s), must be recorded, filed and updated appropriately by all specified parties.

14. As the Board members hold the ultimate responsibility and are always accountable to public trust, they should uphold and maintain a standard of conduct such as the

avoidance of conflict of interests to fulfill public trust responsibilities. Therefore, Board members must lead by example an attitude and act of personal integrity.

Acknowledgement Form

I hereby confirm that I have read and understood the conflict of interests policy of this organization and that I will make full disclosure of interests, relationships and holdings that could potentially result in a conflict of interest. I will make full disclosure to the Company/Board when a conflict of interest situation arises.

I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the conflict of interest policy, I will notify Human Resource Department immediately.

Signature

Name & Designation

Date

Annex A

Conflict of Interests Situations

1. Contract with vendors

Where the Board/committee members, staff or volunteers have personal interest in business transactions or contracts that the Company may enter into, the interested party is required to declare such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation should be made by the remaining Committee Members or relevant approving authority in arriving at the final decision. Such transactions / contacts should always be recorded and filed.

2. Vested interest in other organizations that have dealings/relationship with the Company

Where Board/committee members, staff or volunteers who have vested interest in other organizations that have dealings/relationship with the Company, and when matters involving the interests of both the Company and the other organization are discussed, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on such matters.

3. Joint Ventures

The Board's approval should be sought before the Company enters into any joint venture with external parties. Where Board/committee

members, staff or volunteers have interest in such ventures, there should be a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on the matter.

4. Recruitment of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current Board/committee members, staff or volunteers should go through the established human resource procedures for recruitment. The Board member, staff or volunteer should make a declaration of such relationships and should refrain from influencing decision on the recruitment.



CORPORATE GOVERNANCE: SUB-COMMITTEES

Thye Hua Kwan Moral Charities (THKMC) Sub-Committees from 1st April 2012 to 31st March 2013

Audit Committee

Chairman	Mr Chew Heng Ching
Member	Mr Lee Kim Siang
Member	Mr Chew Hai Chwee
Member	Mr Robert Tock Peng Cheong

HR Committee

Chairman	Mr Robert Tock Peng Cheong
Member	Mr Lee Choon Huat
Member	Mr Goh Tok Mong

Nomination & Appointment Committee

Chairman	Mr Lee Kim Siang
Member	Mr Robert Tock Peng Cheong
Member*	Mr Lee Choon Huat
Member*	Mr Goh Tok Mong

Programmes & Services Committee

Chairman	Mr James Koh Cher Siang
Member	Mr Lee Kim Siang
Member	Dr Chan Kin Ming
Member	Mr Richard Eu

Fundraising Committee

Chairman	Mr Zulkifli Baharudin
Member	Mr Lee Kim Siang
Member	Mr Tein Kek Sin

Investment Committee

Chairman	Mr Phillip Tan Eng Seong
Member	Mdm Cheah Sheau Lan
Member	Mr Lee Kim Siang

Finance Committee

Chairman	Mr Lee Kim Siang
Member	Mr Zulkifli Baharudin
Member	Mdm Cheah Sheau Lan

*For Year 2013/2014

Board Members were reappointed for Year 2013/2014.

Of 14 Board Members, 8 are Independent Directors. Every one of the 7 committees has a majority of Independent Directors.

With effect from 1st April 2013, the 7 committees have been reconstituted with majority Independent Directors.

The older generation has put in tremendous efforts to lay the foundation on which our beautiful country lies on currently. THK strives to spread love and care for the elderly, hoping to maintain their active connection to the community. THK looks to provide supportive health and social care services to look after each individual's needs, giving them the support and love and a place to call home.

THK Senior Activity Centres (SACs)

THK SACs are social, receptive and familiar places where care, assistance, support and warmth are always available without any discrimination for the elderly. It aims to help integrate them into the mainstream society through local networks of support, community outreach programmes and a wide range of social recreational activities while providing a place to gather for interactions amongst the elderly.

Core Competencies of the Centres are:

- Facilities for the elderly to gather for social and recreational activities.
- Provide community outreach programmes for the elderly.

- Emergency alert response call system that can be activated during emergencies, ensuring the safety of the elderly who is at home.

THK Home Help Service (HHS)

THK HHS is a service specially launched to assist and support the elderly, especially those living alone, so that they are able to remain in their own homes for as long as possible, thereby enabling the elderly to 'age-in-place' as well as to delay institutional care. It also helps to support working family members in the care of their old and frail family members while they are out at work.



Core Competencies of the Service are:

- Housekeeping services to clean up and ensure cleanliness
- Escorting of elderly to the hospital for medical appointments
- Personal hygiene maintenance to keep the elderly clean and hygienic
- Laundry service to wash the elderly's soiled apparels
- Nutritious hot meals delivered to the elderly's home daily

THK ACE (Assessment and Co-ordination for Enabling)

THK ACE is a service provided by our trained professional case managers and aims to maintain the persons needing care in the community for as long as possible. It matches, provides and co-ordinates the various appropriate health and social care and



supportive services to the persons and their caregivers after assessments are done on their needs.

Core Competencies of the Service are:

- Prevent pre-mature institutionalisation
- Provide assistance to caregivers
- Reduce the number of unscheduled admissions or re-admissions to the hospitals

THK Care Provider

THK Care Provider provides person-centric care services for low income elderly and people with disabilities that may have other chronic conditions. They are able to benefit from the high quality person-centric care services at home as they are provided with confident care helpers, affordable hands-on long term care, personal assistance, emotional support and support for personal and basic health needs.

Core Competencies of the Service are:

- Personal maintenance and hygiene activities
- Medication management
- Meal preparation
- Housekeeping needs, shopping and bill payment
- Respite care – day and night
- Escort services

THK Caregiver Training Centre

Caregivers are trained to equip them with skills and knowledge, which is customised to meet the unique needs of each recipient. This ensures that they can take care of the elderly in a more competent and confident manner.

Core Competency of the Centre is

- Training of caregivers for the elderly



SERVICES | DISABILITY

At THK, we regularly develop new initiatives and programmes for the intellectually disabled in areas of training and developmental growth, and to provide shelter, warmth and love to them, so as to empower them to move forward in life with the necessary life tools.



THK Home for Disabled & THK Hostel for Disabled @ Eunus

THK Home for Disabled provides residential care for young children with intellectual disabilities, especially for those from poor families or have no one to take care of them.

THK Hostel for Disabled on the other hand caters to providing residential care for young adults with intellectual disabilities 18 and above.

These institutions provide shelter, warmth, care and love to children, and comprehensive education including the moral and civic aspects of life, as well as a peaceful environment for them to live in harmony.

Core Competencies of the Home are:

- Training of developmental growth for the residents



for our disabled clients' caregiver while they are at work during the day. Currently, our Day Care Centre provides structured programmes for our clients.

Core Competencies of the Home are:

- Social and recreational activities for residents
- Employment opportunities for residents

- Structured programmes for residents and clients
- Shelter and care for residents
- Social and recreational activities for residents

THK Home for Disabled Adults & Day Activity Centre @ Chai Chee

THK Home for Disabled Adults aims to help families of disabled adults with deceased parents or ageing parents who are older and no longer have the strength and time to look after them. We also aim to provide long-term residential care for them with shelter, warmth, care, love and a harmonious environment for the residents to live in. Structured programmes to suit the residents of different age groups and disability profiles are also provided, while we train and develop their capabilities in self-help, community living, socialization, perceptual-cognitive and motor skills. Our Day Activity Centre is an alternative care arrangement to provide convenience

THK Therapy Services

THK Therapy Services is a semi-social community enterprise that focuses on providing quality rehabilitation services in the community and has jointly worked with NCSS, while gaining recognition from MCYS and WDA. THK Therapy Services comprises of three main components, THK Therapy Hub, THK Children's Therapy Centre and Therapy Assistant training course.

Core Competencies of Service are:

- Occupational therapy, physiotherapy and speech therapy for children, adults and elderly with disabilities.
- Training for caregivers and providers.

Families are the basic unit of society and play a significant role in everyone's life. THK provides quality services which aim to promote and enhance the social well-being of individuals in families. Regular assessments are conducted to identify the welfare and social needs of the families in the communities.

THK Family Service Centres (FSC)

THK FSCs provide various holistic and innovative programmes along with professional multi-dimensional community based social services to promote, maintain and improve the well-being of individuals, families and communities.

Core Programmes of Centres include:

1. Casework and counselling
2. Information and referral service
3. Programmes for children, families, couples and special interest groups

Core Competencies of Centres are:

- Family violence
- Parenting issues
- Care-giving difficulties
- Marital issues

- Financial difficulties
- Family issues

THK Problem Gambling Recovery Centre

THK Problem Gambling Recovery Centre aims to help fellow Singaporeans recognise and alleviate their gambling addiction, thus giving them and their families a new lease of life that is free from the hardships caused by gambling.

Core competency of Centre is:

- Counselling for problem gamblers to recognise and address the problems which are inherent with gambling, enabling them to face a new lease of life without gambling.

Project Cherub

Project Cherub provides counselling services to help expectant mothers face the crisis of their pregnancy positively, and re-integrates them into their families and society with a renewed sense of purpose and belonging. The service strives to enhance child birth rates in our population.

Core Competencies of Centre are:

- Counselling for all expectant mothers to cope with pregnancy, childbirth and post-natal care.



THK EIPIC Centres (Early Intervention Program for Infants and Children)

THK EIPIC Centres advocate in empowering the families and young children, who are 6 years and below, diagnosed with disabilities or developmental delay, through education and therapeutic intervention. The objective is to enhance the optimal development of these children and reduce the secondary effects of their disabilities.

Core Competency of the Centres is:

- Work with families to ensure children achieve their full potential.



Do you know the importance of having a family?

THK Centre for Family Harmony

THK Centre for Family Harmony works closely with children from divorced or separated families in areas of supervised visitation between children and the separated parent. The aim of the centre

is to promote continued bonding and improving relationships in divorced or separated families.

Core Competencies of Centre are:

- Supervised access and transfer
- Counselling with issue related to access to children
- Group programmes for children and parents



SERVICES | SERVICES DIRECTORY

Medical Services

THK Therapy Hub & The Children's Therapy Hub 6471 4270

Welfare Homes

THK Home for Disabled & Moral Hostel for Disabled 6745 9926

THK Home for Disabled Adults & Day Activity Centre 6441 7640

Seniors Activity Centres

THK SAC @ MacPherson 6745 6696

Indus Moral CARE 6276 3283

THK SAC @ Toa Payoh 6250 3827

Chong Pang Social Service Hub 6690 0110

Kaki Bukit Neighbourhood Link 6241 6691

THK SAC @ Telok Blangah Crescent 6276 1216

THK SAC @ Bukit Merah View 6276 4761

THK SAC @ Boon Lay 6264 6065

THK SAC (Cluster Support) @ Geylang 6690 0110

THK SAC (Cluster Support) @ Bukit Merah 6589 0690

THK CREST @ North 6690 0110

THK SAC @ Ang Mo Kio 645 6554 7298

THK SAC @ Ang Mo Kio 257 6459 9139

THK SSC @ Taman Jurong 6795 1185

THK SAC @ Ang Mo Kio 208 -

THK SAC @ Toa Payoh 15 6251 6504

THK Seniors Group Home 6742 3063

THK Bedok Radiance SAC 6242 2483

Home Help Services

THK Home Help Service (East) 6448 5351

THK Home Help Service (West) 6473 6113

Family Service Centres

THK FSC @ Tanjong Pagar 6270 6711

THK FSC @ MacPherson 6741 4255

THK FSC @ Bukit Panjang 6767 1740

THK FSC @ Bedok North 6449 1440

Counselling Centres

Pregnancy Crisis Service (Project Cherub) 6593 6492

THK Centre for Family Harmony 6747 7514

THK Problem Gambling Recovery Centre 6576 0840

EIPIC Centres

THK EIPIC Centre @ Woodlands 6362 5371

THK EIPIC Centre @ CCK Blk 606 6762 9125

THK EIPIC Centre @ CCK Blk 607 6760 6778

THK EIPIC @ Ang Mo Kio 6499 9379

THK EIPIC @ Tampines 6783 5338

THK CARE Provider 6690 0110

THK Caregiver Training Centre 6690 0110

Other Community Services

Inter-Racial Inter-Religious Harmony Nite 6337 1201



Imagine the amount of effort they have to put in to get it right!



SUPPORT FROM THE COMMUNITY

Reaching out to the Community

THK strives to provide holistic services designed to enhance the well-being of all clients from all racial, religious and ethnic backgrounds.

Our goal is to help anyone who has fallen through the cracks to overcome adversities with determination, patience and courage.

THK is dedicated to serving the community with targeted services that fill in the gaps that our society leaves and to leave no man behind.

We believe in an open-minded approach to meet the needs of our community and to empower all whom we serve.

THK is committed to all we serve for the betterment of families, elderly, young and disabled.

New services

THK ACE	FEB 12	THK SAC @ ANG MO KIO 645	AUG 12
THK CARE PROVIDER	FEB 12	THK SAC @ ANG MO KIO 257	AUG 12
THK CREST @ NORTH	MAR 12	THK SSC @ TAMAN JURONG	FEB 13
THK SENIORS GROUP HOME	MAR 12	THK ENSUITE CARE SERVICES	FEB 13
THK EIPIIC @ ANG MO KIO	MAY 12	THK SAC (CLUSTER SUPPORT)	FEB 13
THK EIPIIC @ TAMPINES	MAY 12	@ GEYLANG	
THK SAC @ TOA PAYOH	AUG 12	THK SAC @ ANG MO KIO 208	APR 13

THK believes in harnessing the individual strengths, skills, knowledge and experience of our volunteers and donors to make meaningful contributions to the community.

We hope that besides the improvement of lives, we have enriched all with a

greater hope and rekindled passion for life.

THK seeks to improve lives through a desire to serve with passion and commitment to facilitate independence, employability and quality of life of our beneficiaries.

SUPPORT FROM THE COMMUNITY



Volunteering
with a 



Volunteerism in THK

At THK, volunteers are an integral group of stakeholders in our operations. They work together with our full time staff and assist our clients and beneficiaries. Their involvement in the organisation is important as they help out with activities ranging from administration to organising excursions. The experience of an active THK volunteer is an engaging and exciting one. Volunteers have grown to a stature where they have become a part of the THK family.

Increasing volunteer involvement and enhancing the capacity of our services to meet community needs through volunteerism is part of our focus. We work closely with the National Volunteer & Philanthropy Centre (NVPC) to increase knowledge and recruit volunteers. We do believe that informing the public about volunteerism would enable more people to step forward and volunteer. Although there will be drop outs along the way, the attrition rate is not high and we have a

steady pool of volunteers always willing to help at all events.

The vast pool of volunteers at our centres and homes are not counted in yet but our regular group of volunteers at the volunteer centre make up of:

- 135 individuals
- 9 groups
- 37 organisations conducted 56 events for various services.



Imagine making a difference in other's life!

We have created some public awareness through talks, social media, exhibitions and events and introductions. These are the main ways where we try to educate the public and reach out to as big an audience as possible. Our volunteers come from all walks of life, age groups, races, cultures and religions. There have been many who render their help throughout all stages of their life. It is not uncommon to see a young student volunteer evolve into a parent volunteer who brings his family down as time has gone by. THK will always welcome all volunteers with an open heart and try to make them feel comfortable.

Most volunteers start their journey by giving a brief introduction of their interests, skills, commitment levels and also the community segment they would like to be involved in. They will then go through an orientation programme conducted by the Volunteer Management Unit (VMU) to brief the budding volunteers on the essential information about

the organization. Volunteers have to understand the organisation's values, mission, services offered and protocols in engaging the beneficiaries. Shortly after the orientation program, they will then be assigned to various centers, services or homes depending on their interests and aptitude.

Training plays a monumental role in THK volunteer recognition. The VMU ensures that members will have sufficient knowledge and skills to work at the ground level and develop themselves on a personal level. THK adopts a holistic approach to the volunteers in making their experience enjoyable and worthwhile. THK has always encouraged open interactions between volunteer and beneficiary to foster a relationship. Empathising with the needs of the beneficiaries and gaining their trust and friendship proves to be an invaluable experience to any volunteer. As such, the VMU plays a pivotal role in helping volunteers build confidence and improve their communication skills.

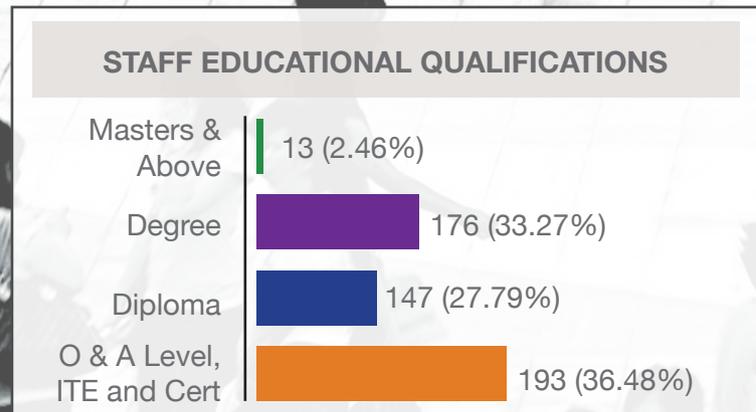
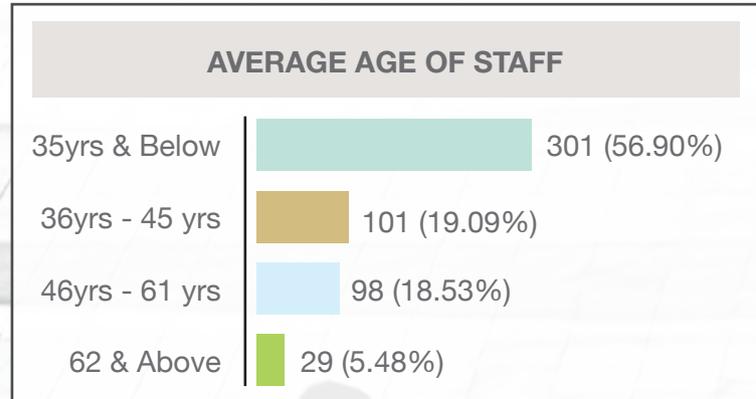
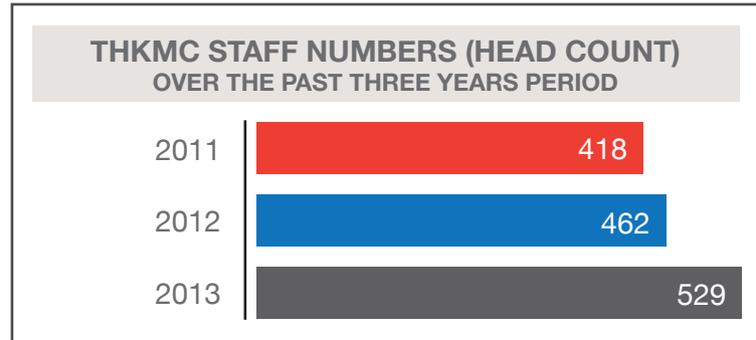
THK's volunteers have always taken the lead to help out instead of looking at community service as an obligation. To them, it has become a lifestyle and a way of life, to the extent of getting their friends and family involved in their community work. There have been corporate initiatives where THK has given them a platform to fulfill their corporate social responsibilities. Volunteers have been given the capacity to exercise their creativity and resources in engaging the beneficiaries.

THK is grateful for the immense support received by every volunteer. The amount of help that has been rendered is insurmountable and has made THK a stronger organization. THK hopes to increase the number of volunteers to encourage people to do something meaningful during their free time. Our foundation is solid due to the amount of support that we have and it looks to grow in the near future!

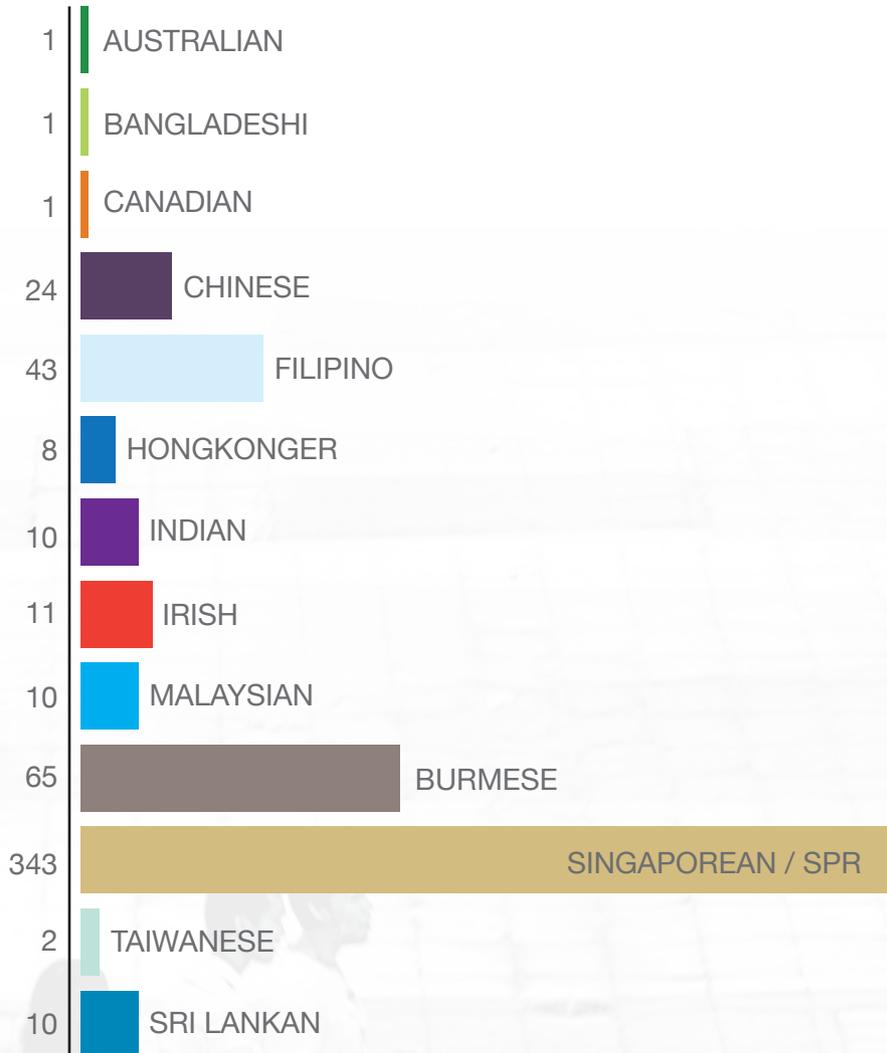


MANPOWER PROFILE

The overall manpower has increased over the years mainly due to the expansion of services especially in the Elderly Sector and the Early Intervention Programmes.



THKMC STAFF: MINI UNITED NATIONS



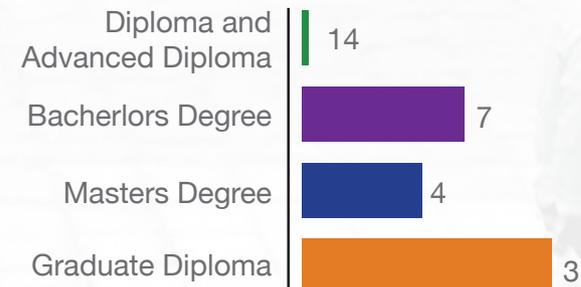
TRAINING REPORT

Qualifications Pursued

THK Moral Charities Ltd believes in enhancing its staff's performance through training and continuous learning. For Financial Year 2013, we invested \$245K on our Staff training. We tapped on external funding sources such as NCSS (VCF Grant) and Work Force Development Agency (WDA) to aid with the cost of training.

As of March 31st 2013, we have sponsored a total of 138 staff for training of which 28 staff upgraded their qualifications through various courses and attain formal certifications.

STAFF SPONSORED FOR TRAINING





Thye Hua Kwan Moral Charities Limited
(A Company limited by guarantee
and not having a share capital)

Registration Number : 201130733N
(Registered under the Charities Act, Chapter 37)

Annual Report
Year ended 31 March 2013

KPMG LLP (Registration No. T08LL1207L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International, Cooperative ("KPMG International") a Swiss entity.

Directors' report

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 March 2013.

Directors

The directors in office at the date of this report are as follows:

Lee Kim Siang	
Phillip Tan Eng Seong	(Resigned on 12 September 2013)
Chew Heng Ching	
James Koh Cher Siang	
Zulkifli Bin Baharudin	
Rajendran s/o Sinnathamby	
Tock Peng Cheong	
Goh Tok Mong	
Lee Choon Huat	
Tan Chai Kim	
Khoo Meng Chew	
Tein Kek Sin	
Eu Yee Ming Richard	(Appointed on 1 April 2013)
Cheah Sheau Lan	(Appointed on 1 April 2013)

Directors' interests

As the Company is limited by guarantee and has no share capital, no director who held office at the end of the financial year had interests in the capital of the Company either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, no director who held office at the end of the financial year (including those held by their spouses and infant children) had interests in shares or debentures of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

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

Since the end of the last financial period, no director has received or become entitled to receive, a benefit, by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

The Company is limited by guarantee and has no issued share capital.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Lee Kim Siang
Director



Goh Tok Mong
Director

18 September 2013

Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS21 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in funds and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore Charities Act and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Lee Kim Siang
Director



Goh Tok Mong
Director

18 September 2013



KPMG LLP

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Independent auditors report

Members of the Company
Thye Hua Kwan Moral Charities Limited

Report on the financial statements

We have audited the accompanying financial statements of Thye Hua Kwan Moral Charities Limited (the Company), which comprise the statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS21.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

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

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



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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results, changes in funds and cash flows of the Company for the year ended on that date.

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 to cause us to believe that:

- (a) the use of donation moneys was not in accordance with the objectives of the Company as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 September 2013

Thye Hua Kwan Moral Charities Limited
Financial statements
Year ended 31 March 2013

Statement of financial position
As at 31 March 2013

	2013	2012
	\$	\$
Non-current asset		
Property, plant and equipment	9,190,955	–
Current assets		
Trade and other receivables	3,164,002	–
Cash and cash equivalents	21,951,266	28,009
	25,115,268	28,009
Total assets	<u>34,306,223</u>	<u>28,009</u>
Non-current liability		
Deferred capital grants	4,233,322	–
Current liabilities		
Trade and other payables	2,941,779	4,117
Deferred capital grants	1,287,130	–
	4,228,909	4,117
Total liabilities	<u>8,462,231</u>	<u>4,117</u>
Funds		
Unrestricted funds	25,835,030	23,892
Restricted funds	8,962	–
	25,843,992	23,892
Total funds and liabilities	<u>34,306,223</u>	<u>28,009</u>

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

Thye Hua Kwan Moral Charities Limited
Financial statements
Year ended 31 March 2013

Statement of comprehensive income
Year ended 31 March 2013

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Incoming resources:		
Incoming resources from generated funds:		
– Government grants	21,893,156	–
– Donation income	3,745,907	–
– Other income	963,611	9
Incoming resources from charitable activities	3,504,978	–
Total incoming resources	30,107,652	9
Resources expended:		
Staff costs	(17,234,839)	–
Cost of generating donation income	(679,612)	–
Charitable activities	(2,407,769)	–
Administrative expenses	(954,811)	–
Other operating expenses	(2,454,978)	(4,117)
Total resources expended	(23,732,009)	(4,117)
Surplus/(Deficit) for the year	6,375,643	(4,108)
Other comprehensive income for the year	–	–
Total comprehensive income for the year	6,375,643	(4,108)

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

Thye Hua Kwan Moral Charities Limited
Financial statements
Year ended 31 March 2013

Statement of changes in funds
Year ended 31 March 2013

Note	(Unrestricted) Accumulated fund \$	Restricted fund \$	Total funds \$
At 13 October 2011 (date of incorporation)			
- Contribution of fund on initial establishment of the Company	28,000	-	28,000
Total comprehensive income for the period	(4,108)	-	(4,108)
At 31 March 2012	<u>23,892</u>	<u>-</u>	<u>23,892</u>
At 1 April 2012	23,892	-	23,892
- Transfer of funds from IPCs and SACs due to restructuring exercise	19 19,435,495	8,962	19,444,457
Total comprehensive income for the year	6,375,643	-	6,375,643
At 31 March 2013	<u>25,835,030</u>	<u>8,962</u>	<u>25,843,992</u>

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

Statement of cash flows
Year ended 31 March 2013

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012	\$
Cash flows from operating activities			
Surplus/(Deficit) for the year/period	6,375,643	(4,108)	
Adjustments for:			
Depreciation on property, plant and equipment	4 1,062,239	-	
Accretion of deferred capital grants	7 (725,204)	-	
Interest income	(75,853)	(9)	
	6,636,825	(4,117)	
Changes in working capital:			
Trade and other receivables	(2,362,209)	-	
Trade and other payables	2,174,474	4,117	
Net cash from operating activities	6,449,090	-	
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,415,669)	-	
Interest received	75,853	9	
Net cash (used in)/from investing activities	(3,339,816)	9	
Cash flows from financing activities			
Capital grants received	946,628	-	
Net cash received from IPCs and SACs due to restructuring exercise	19 17,867,355	-	
Contributions received on establishment	-	28,000	
Net cash from financing activities	18,813,983	28,000	
Net increase in cash and cash equivalents	21,923,257	28,009	
Cash and cash equivalents at beginning of the year/period	28,009	-	
Cash and cash equivalents at end of the year/period	6 21,951,266	28,009	

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 18 September 2013.

1 Domicile and activities

Thye Hua Kwan Moral Charities Limited (the Company) is incorporated in the Republic of Singapore as a company limited by guarantee and has its principal place of business at 1 North Bridge Road, 03-33, High Street Centre, Singapore 179094.

The Company was registered as a charity under the Charities Act, Chapter 37 on 8 November 2011. The Company is an approved institution of a public character in accordance with Section 37 of the Income Tax Act.

The principal activities of the Company are those relating to the carrying on of the business of charitable and other supporting activities aimed at humanitarian work. The Company is a not-for-profit entity whose mission is:

- To help all people and to give relief to anyone in hardship, disaster or need, with due respect to be given to their race, colour, language, creed or religion.
- To promote good family life and interpersonal relationships.

The Company is a subsidiary welfare arm of Thye Hua Kwan Moral Society (THKMS) since its establishment on 13 October 2011.

During the year, THKMS has restructured its nine institutions of public character (IPCs) and five senior activity centres (SACs) agencies, and injected the assets and liabilities of these IPCs and SACs into the Company (note 19).

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars which is the Company's functional currency.

2.4 Use of estimates and judgements

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

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

There were no significant assumptions or estimation uncertainties that have a significant risk of resulting in a material adjustment to the financial statements within the next financial year.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the following estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold properties	30 years
• Furnitures and fittings	5 years
• Office and computer equipment	3 years
• Motor vehicles	5 – 10 years
• Renovation and improvements	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.2

Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and reward of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.3

Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise and indications that a debtor will enter bankruptcy.

Loans and receivables

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.4 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.5 Government grants

Government grants are only recognised when there is reasonable assurance that the conditions attached to the grant are met and the right to receive payment is established. These grants are recognised as income to match the related expenditure.

Grants related to assets

Grants which are designated for the purchase of property, plant and equipment are taken to deferred income in the period of receipt. The deferred income is accreted over the useful life of the property, plant and equipment by crediting to profit or loss an amount so as to match the related depreciation expense.

Grants related to income

Grants that compensate the Company for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.7 Incoming resources

Donation income

Provided there is evidence of entitlement, as expressed in writing, donations income are recognised in profit or loss in the period of receipt.

Donation-in-kind is recognised when the fair value of the assets received can be reasonably ascertained.

Programme income

Programme income is recognised when services are rendered.

Interest income

Interest income is recognised on a time-proportion basis, using the effective interest method.

3.8 Finance income

Finance income comprises interest income on funds invested. Interest income from funds invested is recognised as it accrues, using the effective interest method.

3.9 Funds structure

Unrestricted funds are available for use at the discretion of the management in furtherance of the general objectives of the Company.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

3.10 Operating leases

Where the Company has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease.

3.11 Tax

As a registered charity under the Charities Act, Cap. 37, the Company is exempted from income tax under Section 13 of the Income Tax Act, Chapter 134.

3.12 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

Property, plant and equipment

	Note	Leasehold properties \$	Furnitures and fittings \$	Office and computer equipment \$	Motor vehicles \$	Renovations and improvements \$	Total \$
Cost							
At 13 October 2011 (date of incorporation) and 31 March 2012		-	-	-	-	-	-
Transfers from IPCs and SACs due to restructuring exercise	19	5,304,038	14,545	146,798	212,474	1,159,670	6,837,525
Additions		-	50,682	283,813	85,573	2,995,601	3,415,669
At 31 March 2013		<u>5,304,038</u>	<u>65,227</u>	<u>430,611</u>	<u>298,047</u>	<u>4,155,271</u>	<u>10,253,194</u>
Accumulated depreciation							
At 13 October 2011 (date of incorporation) and 31 March 2012		-	-	-	-	-	-
Depreciation for the year		382,068	5,981	66,612	48,492	559,086	1,062,239
At 31 March 2013		<u>382,068</u>	<u>5,981</u>	<u>66,612</u>	<u>48,492</u>	<u>559,086</u>	<u>1,062,239</u>
Carrying amounts							
At 13 October 2011 (date of incorporation) and 31 March 2012		-	-	-	-	-	-
At 31 March 2013		<u>4,921,970</u>	<u>59,246</u>	<u>363,999</u>	<u>249,555</u>	<u>3,596,185</u>	<u>9,190,955</u>

5 Trade and other receivables

	2013	2012
	\$	\$
Funds receivable	2,574,186	-
Programme receivables	117,680	-
Amounts due from affiliated charities (trade)	213,286	-
Deposits	136,245	-
Other receivables	50,259	-
Loans and receivables	3,091,656	-
Prepayments	72,346	-
	<u>3,164,002</u>	<u>-</u>

Amounts due from affiliated charities are unsecured, interest-free and repayable on demand.

6 Cash and cash equivalents

	2013	2012
	\$	\$
Bank balances and cash on hand	<u>21,951,266</u>	<u>28,009</u>

The effective interest rate of cash and cash equivalents is 0.33% (2012: 0%) per annum. Interest rate reprices between three months to one year.

7 Deferred capital grants

	Note	\$
Gross carrying value		
At 1 April 2012		-
Transferred from IPCs and SACs due to restructuring exercise	19	5,299,028
Grant received during the year		<u>946,628</u>
At 31 March 2013		<u>6,245,656</u>
Accumulated accretion		
At 1 April 2012		-
Accretion for the year	11	725,204
At 31 March 2013		<u>725,204</u>
Net carrying value		
At 1 April 2012		-
At 31 March 2013		<u>5,520,452</u>

Deferred capital grants are represented as follows:

	2013	2012
	\$	\$
Current	1,287,130	-
Non-current	4,233,322	-
	<u>5,520,452</u>	<u>-</u>

Deferred capital grants comprise government grants received in relation to the building located at No. 20 Jalan Eunus Singapore 419494, renovation expenditure, furniture and equipment procured by the IPCs.

8 Trade and other payables

	2013	2012
	\$	\$
Deferred income	361,707	-
Amounts due to affiliated charities (trade)	404,517	-
Accrued operating expenses	1,929,215	-
Other payables	246,340	4,117
	<u>2,941,779</u>	<u>-</u>

Included in deferred income is \$361,707 (2012: \$nil) relating to deferred grant and donation income held in trust by the Company for restricted purposes. The bulk of the deferred income relates to grant income to support "The Straits Times School Pocket Money Fund".

Amounts due to affiliated charities are unsecured, interest-free and repayable on demand.

9 Restricted funds

Restricted funds comprises Capital and Hope Foundation Fund and Emergency Relief Fund, which are distributable funds in support of underprivileged children and needy families, respectively.

10 Donation income

	Period from 13 October 2011 (date of incorporation)
Year ended 31 to 31 March March 2013 2012	\$
	\$
	3,588,220
	157,687
	<u>3,745,907</u>

Donations
 – Tax deductible
 – Non-tax deductible

Total gross donations (including donations received from fund raising events) received which qualified for tax deductions for the year amounted to \$3,588,220 (2012: \$nil).

Included in the donation income is an amount of \$2,718,448 (2012: \$nil) received from fund raising activities organised by THKMS. Tax exempt receipts were issued directly by the Company to the donors.

In raising the donations, the Company incurred fund raising expenses of \$679,612 (2012: \$nil). The fund raising expenses paid and payable to THKMS to procure donations for the Company is classified as “cost of generating donation income”.

The total donations collected from and the total expenses incurred on public fund-raising appeals in the financial year have been audited and the Company had met the 30/70 fund-raising rule for the financial year that total expenses incurred on public fund-raising appeals in the financial year did not exceed 30% of total donations collected through the public appeals in the same period.

11 Other income

	Period from 13 October 2011 (date of incorporation)
Year ended 31 to 31 March March 2013 2012	\$
	\$
	7
	725,204
	75,853
	162,554
	<u>963,611</u>

Accretion of deferred capital grants
 Interest income
 Other income

12 Incoming resources from charitable activities

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Elderly and disabled programmes	315,214	-
Early intervention programmes for infants and children	876,746	-
Family service programmes	735,265	-
Senior activities programmes	39,687	-
Specialised services programmes	262,616	-
Therapy services programmes	799,785	-
Welfare home programmes	472,499	-
Other programme income	3,166	-
	<u>3,504,978</u>	<u>-</u>

Government subvention is used to offset deficit from operations incurred by the Company in providing subsidised services to patients.

13 Charitable activities

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Elderly and disabled programmes	1,018,436	-
Early intervention programmes for infants and children	43,178	-
Family service programmes	145,830	-
Senior activities programmes	91,495	-
Specialised services programmes	33,086	-
Therapy services programmes	24,331	-
Welfare home programmes	217,178	-
Other programme expenses	834,235	-
	<u>2,407,769</u>	<u>-</u>

14 Surplus/(Deficit) for the year

The following items have been included in arriving at surplus/(deficit) for the year:

	Note	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
		\$	\$
Audit fee		86,464	2,000
Depreciation on property, plant and equipment	4	1,062,239	-
Operating lease expense		841,283	-
Staff costs (see below)		17,234,839	-

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Staff costs:		
- Wages and salaries	14,730,958	-
- Contribution to defined contribution plans	1,481,016	-
- Skill development levies	29,504	-
- Foreign worker levies	470,868	-
- Other short-term benefits	522,493	-
	<u>17,234,839</u>	<u>-</u>

The annual remuneration of its three highest paid staff who receives remuneration exceeding \$100,000, in the following bands in the year were as follows:

	Year ended 31 March 2013	Period from 13 October 2011 (date of incorporation) to 31 March 2012
	\$	\$
Number of employees in bands		
\$100,000 to \$150,000	2	-
\$250,000 to \$300,000	1	-

15 **Income taxes**

The Company is an approved charity organisation under the Charities Act, Chapter 37 and an institution of a public character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

16 **Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	2013	2012
	\$	\$
Within one year	554,107	-
Between one and five years	818,773	-
More than five years	921,508	-
	<u>2,294,388</u>	<u>-</u>

The Company leases properties and equipment under a non-cancellable operating lease agreement. The lease has varying terms, escalation clauses and renewal rights.

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

17 **Related parties**

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The Board of Directors and Chief Executive Officer are considered as key management personnel of the Company.

Key management personnel compensation comprised:

	Period from 13 October 2011 (date of incorporation)
	Year ended 31 to 31 March March 2013 2012
	\$ \$
Short-term employee benefits	280,000 —
Post-employment benefits (including CPF)	6,500 —
	<hr/>

The Company receives services from the Board of Directors and no remuneration is paid for their services.

Other related party transactions

During the year, other than disclosed elsewhere in the financial statements, there were the following transactions with related parties carried out on terms agreed between the parties:

	Period from 13 October 2011 (date of incorporation)
	Year ended 31 to 31 March March 2013 2012
	\$ \$
Programme income from affiliated charities	105,124 —
Management fees paid to an affiliated charity	(102,378) —
Service fees paid to an affiliated charity	(679,612) —
Purchase of goods from affiliated charities	(835,233) —
Purchase of goods from a related company	(144,579) —
Compensation paid to close family members of key management personnel of the Company	(329,725) —
	<hr/>

18 Financial instruments

Overview

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Exposure to credit risk is monitored on an ongoing basis. Cash and cash equivalents are placed with financial institutions which are regulated.

At the reporting date, the Company has no significant exposure to credit risk.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuation in cash flows.

At the reporting date, the carrying amounts of financial liabilities reflect the contractual undiscounted cash flows which are expected to mature within the next one year.

Interest rate risk

The Company's exposure to changes in interest rates relate primarily to interest-earning financial assets. Interest rate risk is managed by the Company on an on-going basis.

At the reporting date, there was no significant exposure to interest rate risk.

Foreign currency risk

The financial assets and liabilities of the Company are primarily denominated in Singapore dollars. The Company has no significant exposure to foreign currency risk.

Reserve management

The primary objective in the management of the Company's reserve is to ensure that it maintains strong and healthy capital ratios in order to support its operations.

The Company targets to maintain an optimum level of accumulated fund which is equivalent to three years of its budgeted operating expenditure. The Company regularly reviews and manages its reserve to ensure optimal capital structure, taking into consideration the future capital requirements of the Company and fund efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to reserve management during the financial year.

Fair values

The carrying amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Carrying amounts of financial assets and liabilities

The following table summarises the carrying amounts of non-derivative financial assets and liabilities recorded as at the reporting date:

	Loans and receivables \$	Liabilities at amortised cost \$	Total carrying amount \$
31 March 2013			
Assets			
Trade and other receivables	3,091,656	–	3,091,656
Cash and cash equivalents	21,951,266	–	21,951,266
	<u>25,042,922</u>	<u>–</u>	<u>25,042,922</u>
Liability			
Trade and other payables	–	2,580,072	2,580,072
31 March 2012			
Asset			
Cash and cash equivalents	28,009	–	28,009
Liability			
Trade and other payables	–	4,117	4,117

19

Restructuring exercise

The Company is a subsidiary welfare arm of THKMS since its establishment on 13 October 2011. On 1 April 2012, THKMS restructured its nine IPCs and five SACs agencies and transferred the operating activities of the IPCs and SACs agencies to the Company. Subsequently on 1 September 2012, THKMS also transferred the assets and liabilities of the IPCs and SACs agencies into the Company. The details of the assets and liabilities transferred are as follows:

	2013 \$
Cash	17,867,355
Property, plant and equipment	6,837,525
Other receivables	407,736
Amount due from related parties	394,057
Other payables	(763,188)
Deferred capital grants	(5,299,028)
Net identifiable assets transferred from IPCs and SACs due to restructuring exercise	<u>19,444,457</u>

 *Though no one can go back and make a brand new start,
anyone can start from now and make a brand new ending.* 

Carl Bard



太和觀 THK

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