Akaraka Limited

(Limited by guarantee and not having a share capital)

Registration Number: 201017533Z

Financial Statements

For the period from 1 January 2015 to 31 March 2016

Directors' statement

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the period from 1 January 2015 to 31 March 2016.

In our opinion:

(a) the financial statements set out on pages FS1 to FS10 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in unrestricted funds and cash flows of the Company for the period from 1 January 2015 to 31 March 2016 in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore Charities Act, Chapter 37 and the Charities Accounting Standard; 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.

Directors

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

Chizoba Nnamchi
Robert Vogtle
Larry Charles Medina
Elizabeth Jane Baker
Yeo Chuan Seng Victor
Shah Hitesh Motichand

Under Article 9 of its Memorandum of Association, the members of the Company guarantee to contribute a sum not exceeding $1 to the assets of the Company in the event of it being wound up.

Change of financial year end

The Company changed its financial year end from 31 December to 31 March. The financial statements for the current period are for the period from 1 January 2015 to 31 March 2016. The financial statements for 2014 covered the period from 1 January 2014 to 31 December 2014. Accordingly, the comparative information is not directly comparable.

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 period/year (including their spouses and infant children) had interest in the capital of the Company either at the beginning of the financial period, or at the end of the financial period.

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

Auditors

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

On behalf of the Board of Directors

Chizoba Nnamchi
Director

Larry Charles Medina
Director

30 June 2016

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Independent auditors' report

Members of the Company
Akaraka Limited

Report on the financial statements

We have audited the accompanying financial statements of Akaraka Limited (the Company) which comprise the balance sheet as at 31 March 2016, the statement of financial activities, statement of changes in unrestricted funds and statement of cash flows for the period from 1 January 2015 to 31 March 2016, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS10.

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 the Charities Accounting Standard, 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.

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 the Charities Accounting Standard so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in unrestricted funds and cash flows of the Company for the period from 1 January 2015 to 31 March 2016.

Report on other legal and regulatory requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the period/year, the Company has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals) Regulations.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 June 2016

Balance sheet
As at 31 March 2016

	Note	31/3/2016	31/12/2014
		$	$
Current assets			
Deposits		240	240
Prepayments		820	4,991
Accounts receivable		73,451	–
Cash at bank		248,605	275,035
Total current assets		323,116	280,266
Total assets		323,116	280,266
Current liabilities			
Provisions	4	11,770	34,693
Other payables and accruals	3	57,828	10,700
Total current liabilities		69,598	45,393
Total liabilities		69,598	45,393
Unrestricted funds			
General funds		253,518	234,873
Total unrestricted funds		253,518	234,873
Total liabilities and funds		323,116	280,266

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

Statement of financial activities
For the period from 1 January 2015 to 31 March 2016

	Note	Period from 1/1/2015 to 31/3/2016	Year ended 31/12/2014
		$	$
Income			
Income from generated funds			
Voluntary income	5	267,462	250,121
Donations in kind	5	–	3,700
Interest income		1	5
		267,463	253,826
Expenditures			
Charitable activities costs		130,190	122,404
Governance costs	6	12,294	15,912
Administrative and operating expenses	7	106,334	107,034
		248,818	245,350
Net income		18,645	8,476

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

Statement of changes in unrestricted funds
For the period from 1 January 2015 to 31 March 2016

	General funds $
At 1 January 2014	226,397
Net income	8,476
At 31 December 2014	234,873
Net income	18,645
At 31 March 2016	253,518

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

Statement of cash flows
For the period from 1 January 2015 to 31 March 2016

	Period from 1/1/2015 to 31/3/2016 $	Year ended 31/12/2014 $
Cash flows from operating activities		
Net income for the period/year	18,645	8,476
Adjustments for:		
Depreciation of property, plant and equipment	–	148
Interest income	(1)	(5)
	18,644	8,619
Changes in working capital:		
Prepayments	4,171	139
Accounts receivable	(73,451)	–
Other payables and accruals	47,128	681
Provisions	(22,923)	18,118
Net cash flows (used in)/from operating activities	(26,431)	27,557
Cash flows from investing activity		
Interest received	1	5
Net cash flows from investing activity	1	5
Net (decrease)/increase in cash and cash equivalents	(26,430)	27,562
Cash and cash equivalents at the beginning of period/year	275,035	247,473
Cash and cash equivalents at the end of period/year *	248,605	275,035
* **Cash and cash equivalents comprise:**		
Cash at bank	248,605	275,035

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 30 June 2016.

1 Domicile and activities

Akaraka Limited ("the Company") is a public company limited by guarantee, incorporated on 18 August 2010 in the Republic of Singapore with Memorandum and Articles of Association as its constituent documents. The address of the Company's registered office is 3, Anson Road, #27-01 Springleaf Tower Singapore 079909.

The principal activity of the Company is to help under-privileged children and young adults get a formal education.

The Company is registered as a charity under the Charities Act, Chapter 37 with effect from 8 February 2011.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements are presented in Singapore dollars, and are prepared on the historical cost basis. The functional currency of the Company is the Singapore dollar.

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with CAS requires management to make judgements, 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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 2.6.

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

2.3 Financial instruments

Financial instruments comprise deposits, other payables and accruals and cash at bank.

Financial instruments are recognised initially at the transaction price. Subsequent to initial recognition, financial instruments are measured at cost less any impairment losses. Transaction costs are recognised as expenditure in the statement of financial activities as incurred.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset is calculated as the difference between the carrying amount of the financial asset and the discounted future cash flows.

All impairment losses are recognised in the statement of financial activities.

Impairment losses in respect of financial assets are reversed if the subsequent decrease in impairment loss can be related objectively to an event occurring after the impairment was recognised. The reversal shall not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal shall be recognised in the statement of financial activities immediately.

2.4 Prepayments

Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future. Prepayments are measured at the amount paid less economic resources received or consumed during the period.

2.5 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.

A provision is also recognised for commitments, which are dependent upon explicit conditions being met either by the company or by the recipient before payment is made or upon future reviews, once the conditions fall outside the control of the Company.

2.6 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Rents payable under operating leases are accounted for on a straight line basis over the periods of the respective leases.

2.7 Income

(i) Voluntary income includes gifts, donations and sponsorship, where these are, in substance, donations rather than payment for goods or services. Income from activities for generating funds is income from a fund raising project. Income is recognised as and when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. Donations received in advance for future fundraising projects are deferred and recognised as income as and when the fundraising projects are held.

(ii) Donations in kind are recognised when such donation can be estimated with sufficient reliability and are based on a reasonable estimate of their value to the Company, which approximate the open market value for similar items.

(iii) Interest income is recognised using the effective interest method.

2.8 Expenditures

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that activity.

(i) **Fundraising expenses**

Fundraising expenses are those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects.

(ii) **Governance costs**

Governance costs comprise all costs attributable to the general running of the Company, in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

2.9 Funds

The Company maintains funds which are unrestricted. All income and expenses are recorded in the statement of financial activities of the unrestricted funds.

2.10 Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Singapore dollars at rates of exchange prevailing on the financial reporting date. Transactions in foreign currencies are translated into Singapore dollars at exchange rates prevailing on the transaction date. Translation differences are dealt with through the statement of financial activities. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates at the date of the transaction.

2.11 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 January 2015, and have not been applied in preparing these financial statements. Management is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Company.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Company on 1 April 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue,* FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement.* It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Company. Management is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Company. The Company does not plan to adopt these standards early.

3 Other payables and accruals

Accrued operating expenses are unsecured, interest-free and payable within the next financial year.

4 Provisions

	Salary and bonus $	Scholarship disbursement $	Audit fees $	Total $
As at 1 January 2014	16,575	–	–	16,575
Provisions made during the year	11,693	23,000	–	34,693
Provisions used during the year	(16,575)	–	–	(16,575)
As at 31 December 2014	11,693	23,000	–	34,693
As at 1 January 2015	11,693	23,000	–	34,693
Provisions made during the year	–	–	11,770	11,770
Provisions used during the year	(11,693)	(23,000)	–	(34,693)
As at 31 March 2016	–	–	11,770	11,770

5 Income from generated funds

Included in income from generated funds is an amount of $Nil (31/12/2014: $37,362) attributable to foreign sources.

Included in income from generated funds are donations made by key management personnel of $5,000 (31/12/2014: $30,500).

6 Governance costs

	Period from 1/1/2015 to 31/3/2016 $	Year ended 31/12/2014 $
Audit fee	11,872	11,660
Other professional costs	422	4,252
	12,294	15,912

7 Administrative and operating expenses

	Period from 1/1/2015 to 31/3/2016 $	Year ended 31/12/2014 $
Web portal maintenance	7,180	10,640
Personnel expense	69,417	70,365
Rental expense	2,800	6,000
Depreciation	–	148
Others	26,937	19,881
	106,334	107,034

8 Commitments

Lease commitments

The future minimum lease payments under non-cancellable operating lease agreements are as follows:

	Period from 1/1/2015 to 31/3/2016 $	Year ended 31/12/2014 $
Within 1 year	–	4,000

9 Income tax expense

From 8 February 2011, the Company became registered as an approved charity institution under the Charities Act, Chapter 37 and future income will be tax exempt.

10 Financial risk management

Market risk

The Company does not have significant exposure to credit and interest rate risks as at the reporting date. The Company monitors its exposure to each of the market risk but there is no active management of the risks.

Reserves management

The reserves of the Company are the unrestricted funds available to the Company (also referred to as the "general funds"). The Company receives funds on an ongoing basis, and the unrestricted net operating expenditure will be planned accordingly.

The Company is not subject to externally imposed capital or reserve requirements.

Fair values

Fair value represents the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying value of the financial assets (classified as loans and receivables) and liabilities is an approximation of the fair value because they are either (i) short-term in nature or reprice frequently or (ii) are receivable or payable on demand.

11 Comparative information

The Company changed its financial year end from 31 December to 31 March. The financial statements for the current period are for the period from 1 January 2015 to 31 March 2016. The financial statements for 2014 covered the period from 1 January 2014 to 31 December 2014. Accordingly, the comparative information is not directly comparable.