

THANK YOU FOR BEING A

RAY OF HOPE

ANNUAL REPORT FY2018

RAYOFHOPE.SG

CROWDFUNDING CAMPAIGNS:

Individual Campaigns	155 Individuals
HONGBAO FOR HOPE	10 Families
RAYA FOR HOPE	21 Families
LIGHTS FOR HOPE	17 Individuals
HOPE BEYOND BORDERS	6 Migrant Workers

TOTAL: 178 Individuals & 31 Families

CORPORATE SOCIAL RESPONSIBILITY

PARTNERSHIPS AND PROGRAMMES:

HOPE SUPERMARKET W/ DBS
CHRISTMAS W/ GRANT THORNTON
SPRING CLEANING W/ AIRBNB
SPRING CLEANING W/ CIRCLES LIFE

TOTAL: 165 Households & 200 Volunteers



RAY OF HOPE

HAVE A NICE DAY! :)

#givehopesg #hopeempowers



Help for those who
have fallen through
the cracks.

The Ray of Hope Initiative Limited is a registered charity in Singapore (UEN 201229333H) and a member of National Council of Social Services.

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Published by The Ray of Hope Initiative Limited
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@GIVEHOPESG #GIVEHOPE #HOPEEMPOWERS

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MESSAGE FROM CHAIRMAN



Dear friends

2018 was a significant year for Ray of Hope. We officially became a registered Charity – a status we have worked hard to attain. We are a pioneer crowdfunding charity, helping people in our community who have fallen through the cracks. We recognise that crowdfunding is an effective means to raise funds for people who have exhausted all other avenues of help. Ray of Hope exists to help connect people in need with those who want to help through our crowdfunding platform.

**LIFE HAPPENS AND SOME GET
HIT HARDER THAN OTHERS.
BUT WITH HELP, THEY CAN GET
THEIR LIVES BACK IN ORDER.**

Since 2012, our Founder Mr Danny Yong has fully funded our operations to ensure 100% of funds raised go directly to the people in need. In 2018, The Majority Trust, a philanthropic organisation founded by Mr Danny Yong, together with our Board has undertaken to cover operational costs, so we can continue to give 100% of all funds raised to our beneficiaries.

We have always chosen to do things differently at Ray of Hope – always focused on what is best to help those in need. Trust and accountability are values we stand for. To this end, the Ray of Hope team has been tireless in pushing for higher standards in the crowdfunding space - we set out to be accountable to our donors and to verify every beneficiary we fundraise for. Our stringent verification process has been in place even before it became a good practice meted by the Commissioner of Charities last year. But we have ensured our procedures do not impede or deter those who are struggling from getting the help they desperately need. We are just a message or call away.

It remains our priority to treat each person we help with utmost dignity. We strive to empower them with help they need to bounce back. This is where Ray of Hope

also goes beyond crowdfunding into intervention work. We complement our partners in the social service sector and partner them when the need arises, so that those who fall through the cracks can get the help they need without needing to jump through the proverbial hoops.

When we say someone has fallen through the cracks in our society, it is not a cliché. These are real people with real needs. People who have little access to help or resources. Their struggles are genuine. Their needs may seem like everyday issues – money for food, rent and medical expenses, but often these are insurmountable when someone hits rock bottom. Life happens and some get hit harder than others. But with help, they can get their lives back in order. We share the lives of four such individuals in this report whom we have had the privilege to help through intervention work, and thanks to the funds raised on our platform.

2018 has also seen a new exciting corporate partnership that certainly has scope to scale. In October, the Ray of Hope team worked with DBS Bank to organise the first Hope Supermarket, where underprivileged residents in Nee Soon East got a free grocery shopping spree at a pop-up supermarket,

[continued next page](#)

IT ISN'T A RACE TO RAISE THE LARGEST AMOUNT OF MONEY. BUT IT IS A MARATHON TO ENSURE WE HAVE THE STAMINA TO GO THE DISTANCE FOR PEOPLE IN OUR MIDST WHO NEED HELP.

continued from previous

set up just for them. It is a significant collaboration with a corporate partner as it empowers the families in need to choose the groceries they want for their homes. This is unlike traditional grocery handouts where those in need are given prepacked groceries which they may not need or want. We believe the autonomy to choose is empowering for the individuals and families.

To ensure individuals and organisations get the flexibility to help those whom they want to, we started Giving Circles for people to fundraise for specific groups or needs. To date, three Giving Circles have been set up by donors – these are for the Homeless, people with Special Needs and Single Parents.

Looking ahead, we will embark on enhancing the donor experience for our online crowdfunding site (rayofhope.sg), and to collaborate with more partners – corporate as well as those in the social service sector. We believe that together, we can do more for the Singapore community.

It isn't a race to raise the largest amount of money. But it is a marathon to ensure we have the stamina to go the distance for people in our midst who need help. We see their struggles, our case managers uncover them with each

home visit, and our resolve to do better – to reach out and help those who cannot help themselves, gets stronger. We have seen how hope does empower. We will continue to help those who fall through the cracks, but we cannot do it on our own.

I would like to thank all our donors, partners and Board members who have given so generously so that we can continue to do what we do, here at the Ray of Hope. Lastly, I thank the team at Ray of Hope for giving of their best every single day – so that no one gets left behind, and the needs of those who fall through the cracks are met.

Thank you to each one of you, for being a Ray of Hope.



Mark Wong
CHAIRMAN OF RAY OF HOPE

BOARD OF DIRECTORS

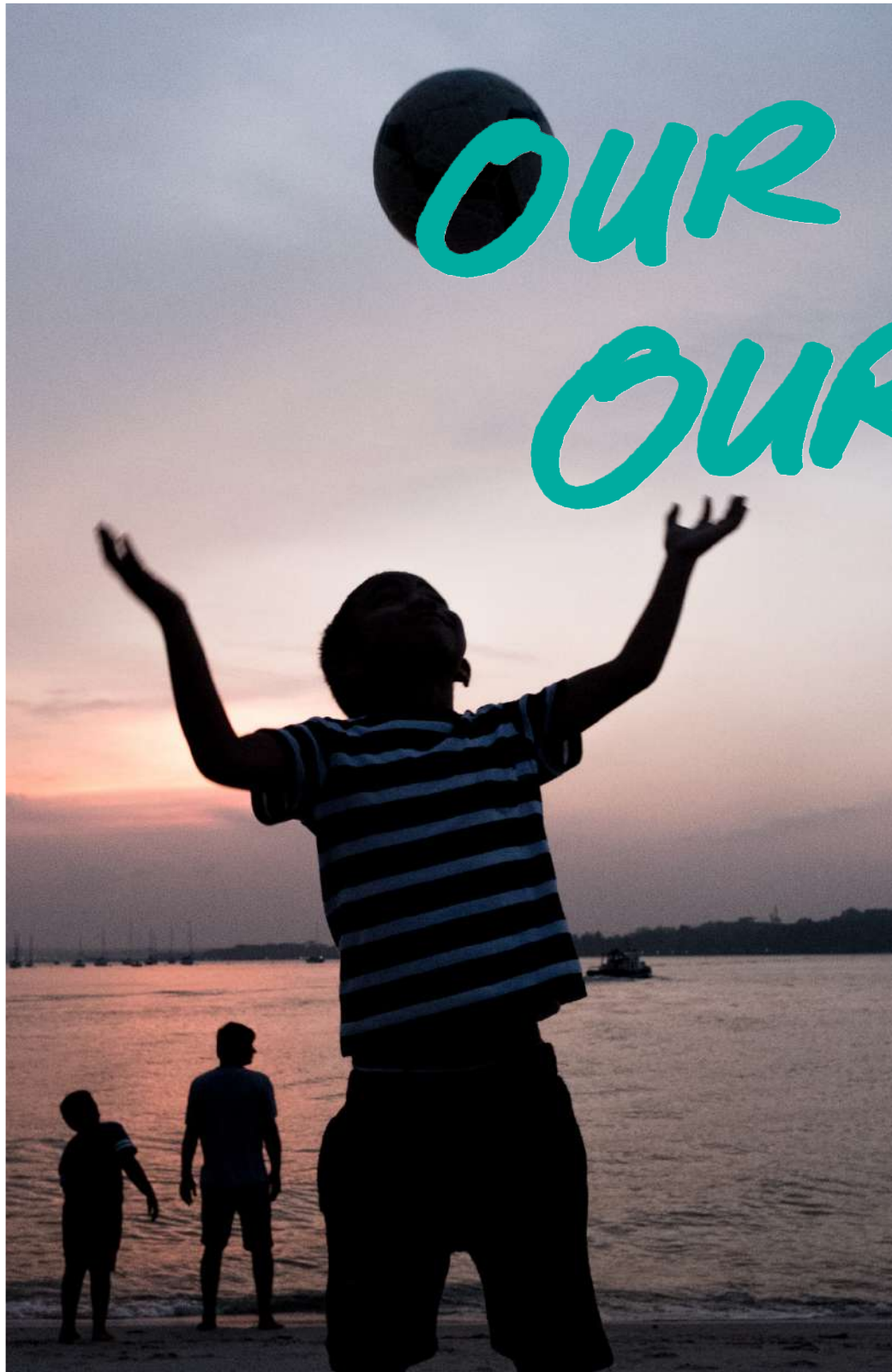
NAME AND DESIGNATION	APPOINTMENT DATE	ATTENDANCE	BACKGROUND
MARK WONG CHAIRMAN	3 Jun 2013	2 out of 3	CHIEF OPERATING OFFICER, DYMOM ASIA CAPITAL
ABDUL JABBAR BIN KARAM DIN DIRECTOR	3 Jun 2013	3 out of 3	EXECUTIVE COMMITTEE PARTNER, RAJAH & TANN LLP
BRIAN THUNG DIRECTOR, AUDIT CHAIRMAN	3 Sep 2013	3 out of 3	FINANCIAL SERVICES DIVISION PARTNER, ERNST & YOUNG
DANNY YONG DIRECTOR	11 Nov 2016	3 out of 3	CIO, FOUNDING PARTNER, DYMOM ASIA CAPITAL
KENNETH KAN DIRECTOR, FINANCE CHAIRMAN	11 Nov 2016	3 out of 3	CHIEF OF STAFF, DYMOM ASIA CAPITAL
KHER SHENG LEE DIRECTOR	30 Nov 2017	1 out of 3	MANAGING DIRECTOR, ALTERNATIVE INVESTMENT MANAGEMENT ASSOCIATION
MARTIN TAN DIRECTOR	18 Jul 2018	1 out of 1	EXECUTIVE DIRECTOR THE MAJORITY TRUST
ANG BOON CHAI DOMINIC DIRECTOR	20 Jun 2017 Stepped down on 22 October 2018	1 out of 3	CHIEF OPERATING OFFICER LASALLE COLLAGE OF THE ARTS
QUAK HIANG WHAI DIRECTOR	1 Feb 2019	N/A	SENIOR ADVISOR AT THE MINISTRY OF HOME AFFAIRS

Ray of Hope's Board of Directors come from various fields of expertise and have lent their time generously. They are distinguished leaders whose strategic decision-making and guidance have steered the organisation.



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ABOUT RAY OF HOPE



Ray of Hope

OUR DIFFERENCE OUR PROMISE

Ray of Hope is more than a crowdfunding platform. We like to call Ray of Hope a crowdfunding charity that does different because donors and beneficiaries deserve better.



100%
of Funds Raised
Go Directly to our
beneficiaries

All of our overheads are funded separately by The Majority Trust* and other generous philanthropists.

* The Ray of Hope Initiative Limited is a related entity of The Majority Trust.

None of the staff receive more than \$100,000 in annual remuneration each.



100%
Accountability

Donors receive regular updates on how their donations have helped the beneficiaries. Amounts raised are disbursed directly to institutions for arrears owed, or to beneficiaries depending on what is needed and listed on the online campaigns.

In all instances, our case managers ensure that funds are used as stated in their crowdfunding campaign.



100%
Verified Campaign

There is no compromise. We ensure that the needs of beneficiaries are genuine. Every campaign listed on the Ray of Hope platform goes through stringent verification. We owe this due diligence to our donors.

The process includes home visits, checking of documents like utilities &/ or hospital bills, CPF and bank statements, and bank accounts to understand the financial status, and verifying with social workers and authorities to know the extent of assistance that is already provided, and the gap that needs to be met.



Ray of Hope

A COMMUNITY DRIVEN PLATFORM

Crowdfunding allows complete strangers to help a fellow human in need. As a crowdfunding platform, we want to be that bridge to connect those who can help, with those in need.



#GiveHope

CROWDFUNDING



AT RAY OF HOPE, WE DO THINGS DIFFERENTLY.

Our referral process is hassle-free. We are just a phone call or email away. Our case managers will visit every beneficiary to verify their needs.

DONATION BACK GUARANTEE

At Ray of Hope, we are so confident of our verification process that Ray of Hope will return all donations should there be a fraudulent campaign.

Crowdfunding



#WHOMYOUHAVEHELPED

WONG KHIEH CHIN

RAY OF HOPE BENEFICIARY

Stateless with no family to support her, 81-year-old Mdm Wong relied solely on bread and charity rations to survive. While other needy senior citizens have financial aid from the Silver Support scheme, Mdm Wong whom our case manager affectionately calls Ah Ma worries constantly about money for food.

Ray of Hope has been able to crowdfund for her daily expenses for more than 6 months. **Unlike many others who can pick themselves up after Ray of Hope's crowdfunding efforts help them tide over a rough period, Mdm Wong is unable to.** She has a life threatening tumour that she does not dare to remove and getting around independently is a challenge.

Despite these, Mdm Wong greets our case manager and student volunteers whom we have brought to meet her with smiles. She tries to keep optimistic though she is emotional whenever she gets visitors. **Ray of Hope continues to fundraise for Mdm Wong so she does not have to worry about her next meal.** Doctors have said that her days are limited, so for us, it is about helping her live her last days with dignity.

#hopeempowers #whomyouhelped

Whom You Have Helped

#WHOMYOUHAVEHELPED

ADRIAN LIM

RAY OF HOPE BENEFICIARY

46-year-old Adrian was involved in a hit and-run accident on his way to work. He ended up in the Intensive Care Unit (ICU) for over a month with more than 14 ruptures and fractures on the lower half of his body. That was on 30 June 2017. To make matters worse, Adrian's brother suffered a heart attack after seeing Adrian in hospital – shocked and saddened to see his only brother in so much pain.

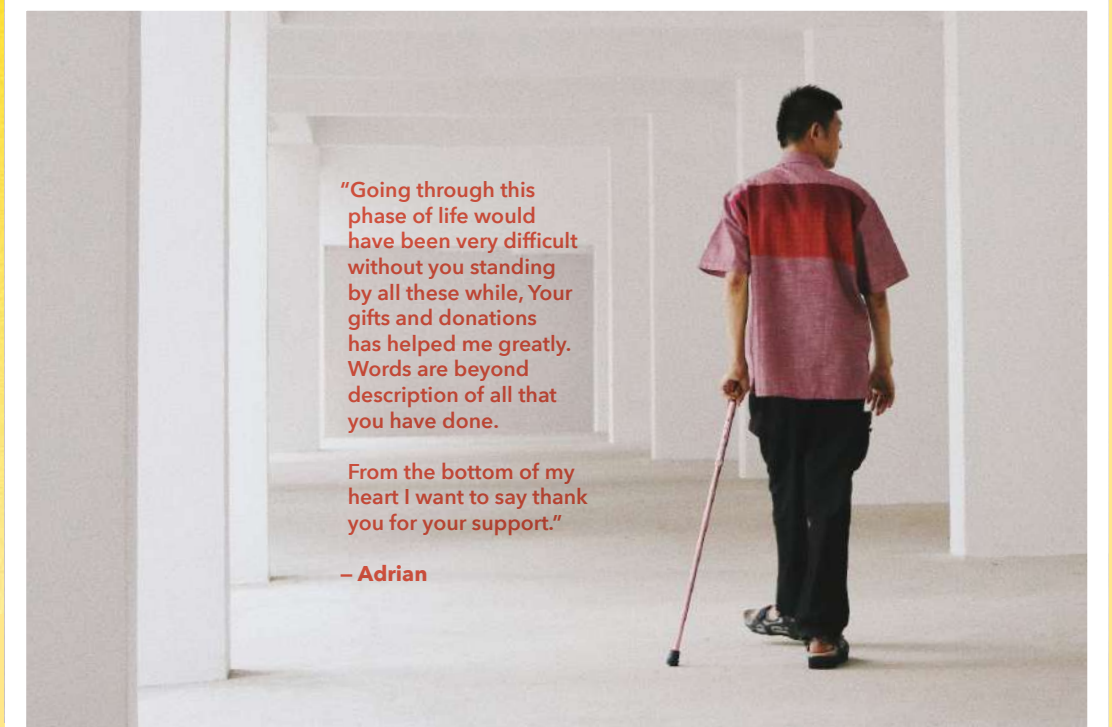
When our case manager met Adrian, he was feeling lost and despondent. He said the accident not only robbed him of his mobility. He also felt useless.

He used to earn a good income as a restaurant manager but could no longer work to support himself. Ray of Hope's crowdfunding campaign for Adrian helped him tide over 5 months of recovery, receiving \$200 per month.

As Adrian got better, he started to give private guitar lessons to supplement his income. When he regained strength and was better able to move around with a crutch, Adrian found a full-time job – work that does not require him to be on his feet for long, or to move around too much. **Today, Adrian is completely self-reliant and is grateful for all the help given to him when he was at his lowest. The donations through Ray of Hope's crowdfunding gave his hope, knowing that people cared and were rooting for him to get better. He has even offered to volunteer with us.**

#hopeempowers #whomyouhelped

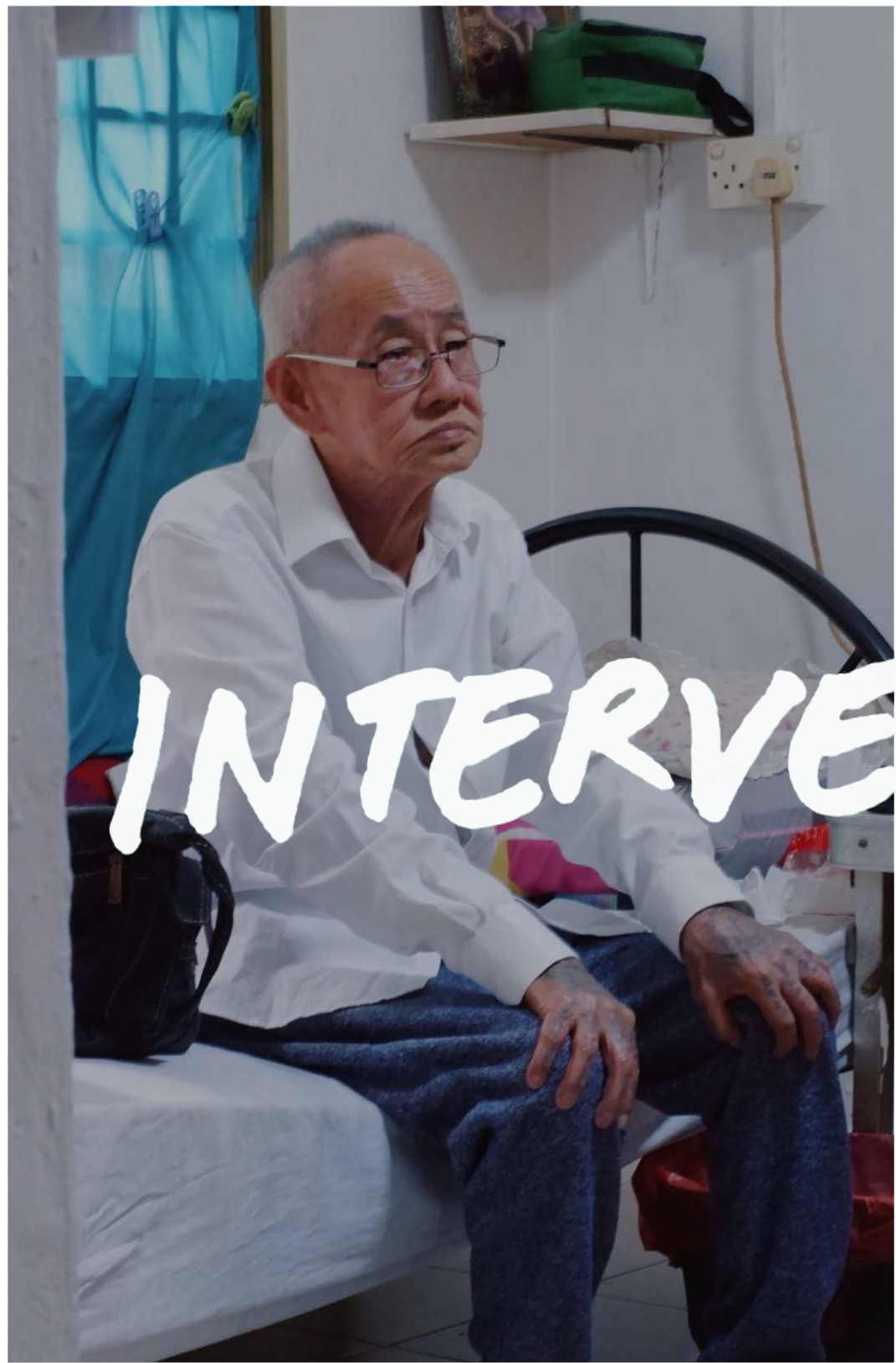
Ray of Hope



"Going through this phase of life would have been very difficult without you standing by all these while, Your gifts and donations has helped me greatly. Words are beyond description of all that you have done.

From the bottom of my heart I want to say thank you for your support."

– Adrian



Ray of Hope

BEYOND CROWDFUNDING

EARLY IN OUR WORK, WE RECOGNISE THAT HOLISTIC INTERVENTION PROGRAMMES ARE NEEDED TO HELP EMPOWER OUR BENEFICIARIES TO MAKE CHANGE AND GO ON TO LEAD BETTER LIVES.



Case Manager Eileen and a Ray of Hope beneficiary.

INTERVENTION



Ray of Hope has dedicated resources into implementing case management work as part of our intervention processes. We also conduct counselling services, refer cases to other charities / social support services, and help source for donations in kind.

Intervention

#WHOMYOUHAVEHELPED

SUPARMI FOO

RAY OF HOPE BENEFICIARY

Mrs Suparmi Foo was just 29 when her husband passed away, leaving her with a toddler and a 5-year-old daughter. Here on a long-term visit pass, Mrs Suparmi Foo could not work and was in desperate need for help.

She had used up her husband's savings for his medical and funeral expenses, and her daughters' medical bills when they were hospitalized separately.

But those days are behind her now. Suparmi is doing well. Ray of Hope's fundraising campaign helped cover Suparmi and her daughter's groceries and other necessities for 6 months so Suparmi had time to focus on other important issues.

Our case manager connected Suparmi with two Ray of Hope volunteers who helped her with English lessons and interview skills. Suparmi became conversant in English and managed to get approval to work. She's been gainfully employed and have been able to provide for her girls.

Choosing to better herself so she can stay employable, Suparmi went on to get her certification in caring for the elderly. That has paved the way for Suparmi to get a job in caring for seniors - a job she is passionate about.

Life has certainly turned around for Suparmi and her daughters. When our case manager visited Suparmi recently, her daughters were happy, chatty and cheerful. **Clearly, Suparmi has picked up the pieces from the loss of her husband. She remains positive in giving her daughters a happy childhood, and a secure life.**

#givehope #hopeempowers #whomyouhelped



#WHOMYOUHAVEHELPED

IRHWAN

RAY OF HOPE BENEFICIARY

22-year-old Irhwan's world came crashing when his father walked out on the family the day he completed his National Service. Due to return to school for his Higher Nitec after army, Irhwan has had to halt plans to go back to school. Instead, he has had to work to support his 46-year-old mum and 14-year-old sister. Both suffer from depression.

Since his dad left, Irhwan has found coping with being the sole breadwinner of the family extremely difficult – incurring arrears for the family's rental flat and utilities. Irwan has also been struggling to put food on the table for the family, living on instant noodles most times.

Ray of Hope has helped Irhwan crowdfund for his family's living expenses for 6 months while they await approval for social assistance. He also got help from our case manager to have his resume cleaned up and the Ray of Hope team helped him smarten up his look for a simple photo shoot for his resume.

Today, Irhwan is working at a departmental store in town and is earning enough to supplement the family's living expenses. But he hopes to go back to school to finish up his Higher Nitec so he can sign up with the police force or the SCDF. This, he believes will give him a more stable and secure future for his family. Our case manager is looking to support Irhwan further so he can quickly return to school for his final semester. All he needs is 6 more months to graduate. **Irhwan was dealt a nasty blow when his dad abandoned his family. But he is hopeful today having picked up the pieces with help from Ray of Hope and our amazing donors who continue to lift him, and others like him up.**

#givehope #hopeempowers #whomyouhelped



Ray of Hope's
Case Manager
Sharifah
and Irhwan

Whom You Have Helped

FUNDRAISING EFFORTS 2018

\$310,938

Funds Raised for beneficiaries

Initial Target: \$200,000

975

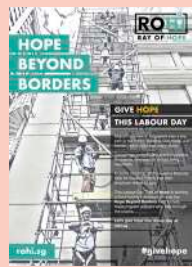
Donors in total (2018)

155

Campaigns were created

04

Thematic Campaigns



03

Giving Circles



GIVING CIRCLE
Single Parents



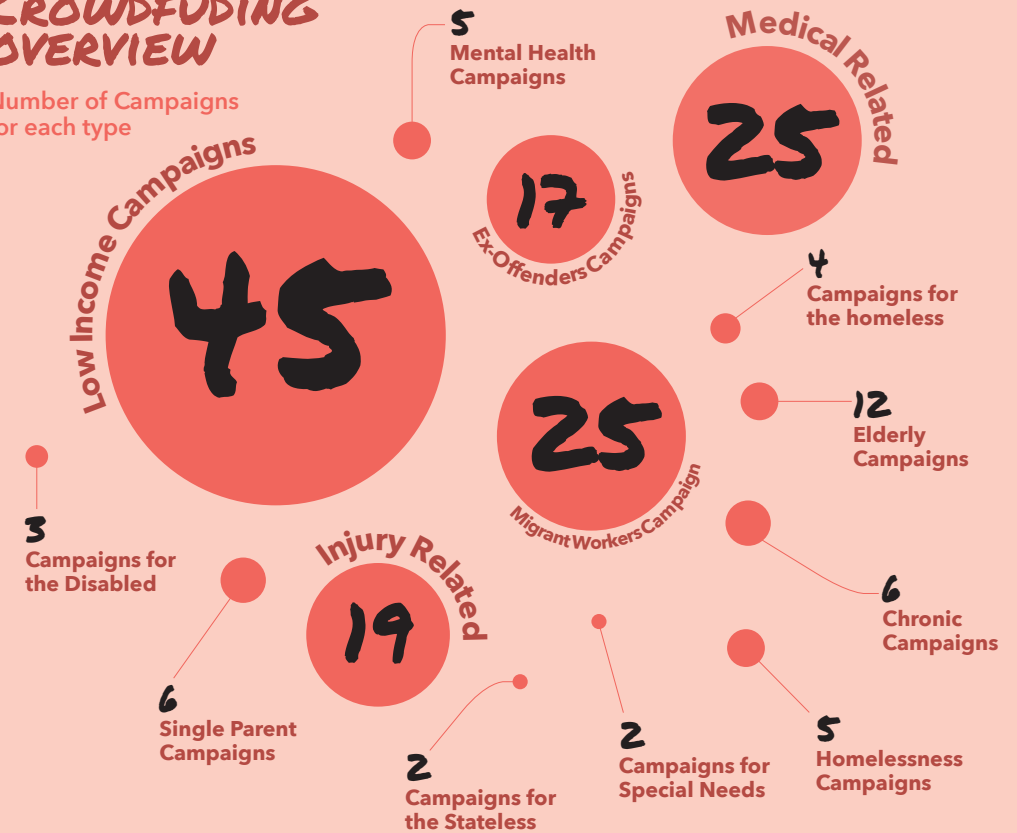
GIVING CIRCLE
Special Needs



GIVING CIRCLE
Homeless

CROWDFUNDING OVERVIEW

Number of Campaigns for each type



WHO ARE THOSE WHO HAVE FALLEN THROUGH THE CRACKS?

Singaporeans who are sick, injured or unemployed. These are just some of the many Singaporeans who face much hardship. Often the sudden loss of income will throw their lives into disarray. Some give up jobs to be caregivers for family members, others struggle to stay afloat when the sole breadwinners are the ones who are down.

foreign spouses abandoned by Singaporeans. Often, these individuals do not qualify for assistance due to their nationality.

For these beneficiaries, the Ray of Hope becomes the last port of call as they have exhausted all other means of help.

Within the Singapore community, there are also others who need our help. These include injured migrant workers, stateless individuals and

The Ray of Hope works with government agencies, NGOs and charities to complement the existing assistance provided.

THEMATIC CAMPAIGNS



SCAN TO WATCH CAMPAIGN VIDEO



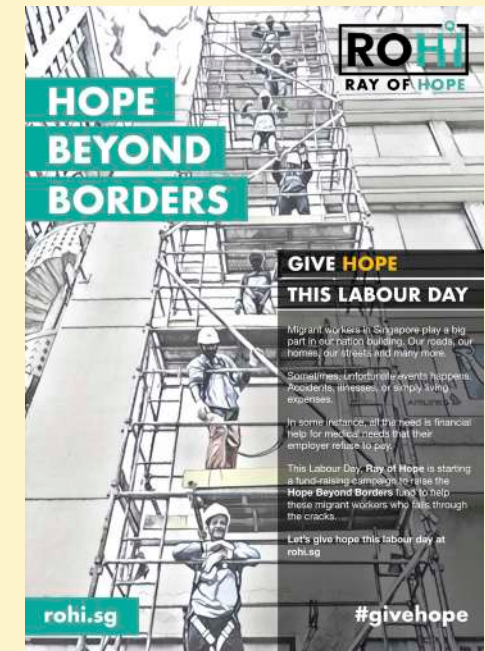
2018 saw Ray of Hope embark on an exciting new series of campaigns that brought hope to groups of individuals – 4 thematic crowdfunding campaigns that saw the public rally around those who are struggling.

The idea is to crowdfund for a group of individuals or families in need. Unlike all other individual crowdfunding campaigns we have had for the past 6 years.

Hong Bao for Hope 2018 was our very first thematic campaign for a group of elderly and physically disabled individuals. We began with a humble goal of raising \$2,000 for those in need. We wanted to give them a little Hong Bao to celebrate the Lunar New Year with, like everyone else.

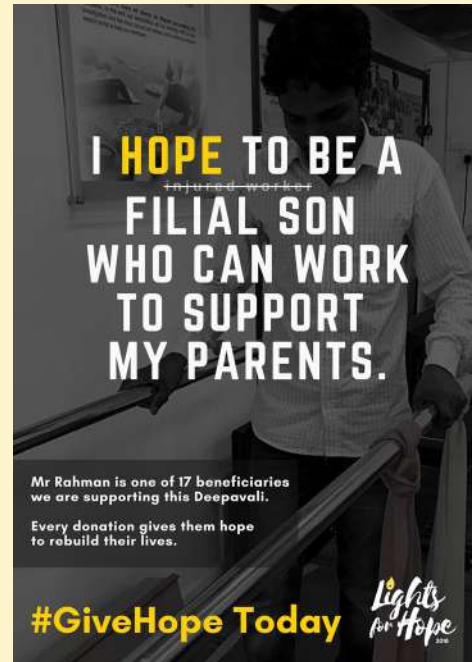
The support from donors, and the joy the Hong Baos brought to our recipients was a clear signal that thematic fundraisers were meaningful to run. The successful completion of the Hong Bao for Hope marked the start of 3 other thematic campaigns in 2018.

With Raya For Hope we wanted to empower the adults in the family – parents or grandparents to have that little unexpected extra to spend on the Raya festivities. Often, the low-income families we meet do not have that choice. Every cent goes towards bare essentials. Having a little extra for Raya gives them the freedom to prepare a better meal for their family, buy goodies for the home or take the kids out shopping for new clothes. The goal was \$10,000 for 21 families.



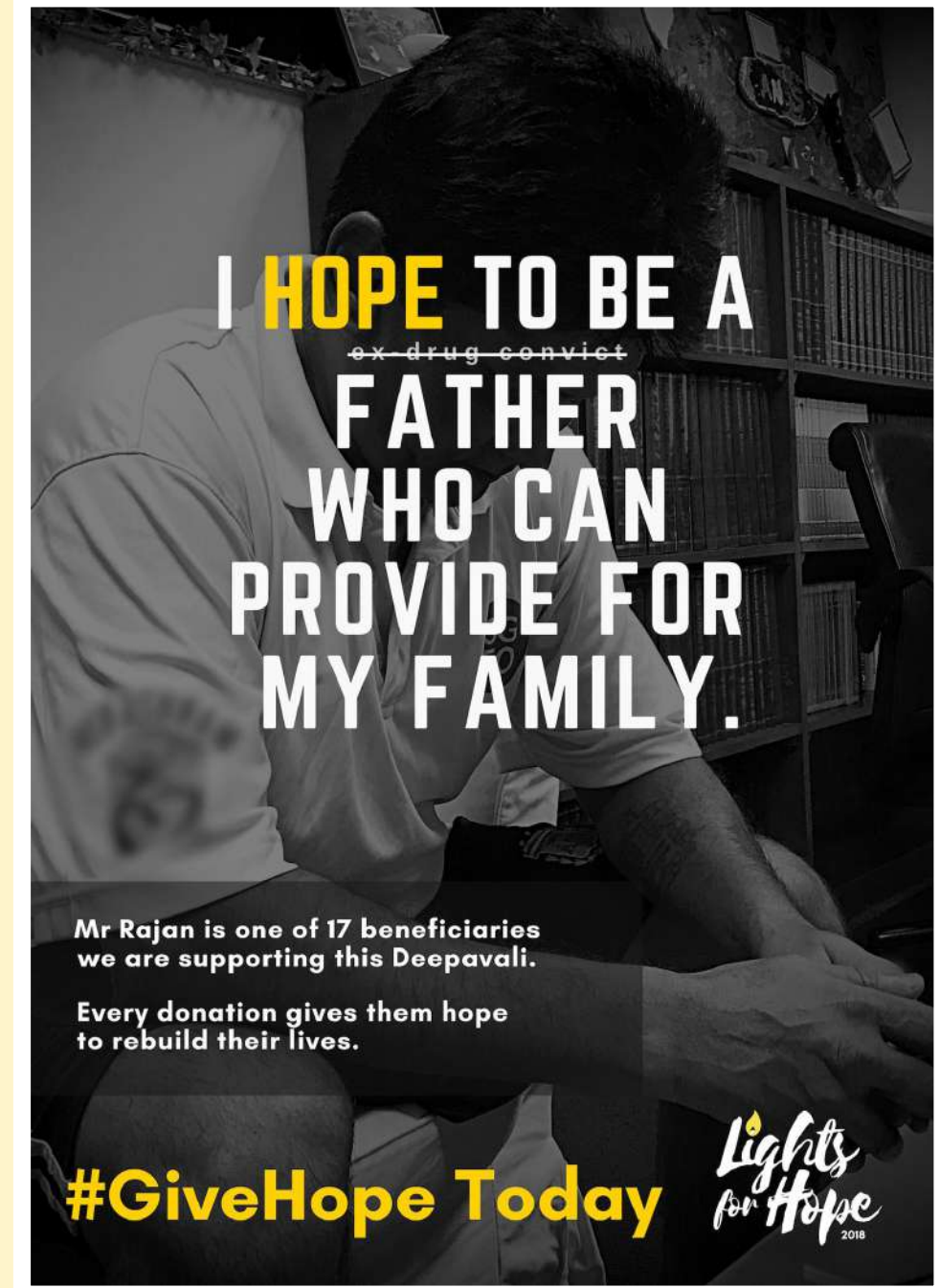
Hope Beyond Borders focused on foreign workers in our midst. Far from home and family, we wanted to give them a little help. Our final thematic campaign in 2018 was Lights for Hope – giving help to those who have faced their darkest periods and need some cheer.

Lights for Hope 2018



Lights for Hope 2018 saw Ray of Hope raise funds for 17 beneficiaries – single mums, injured foreigner workers and rehabilitated ex-offenders. It was a Deepavali to help bring light in their difficult journey.

Every gift gave them hope, lightened their loads and encouraged them to press on to rebuild their lives.



BEYOND CROWDFUNDING

GIVING CIRCLE



GIVING CIRCLE
Single Parents



GIVING CIRCLE
Special Needs



GIVING CIRCLE
Homeless

STARTED IN DECEMBER 2018

Ray of Hope started Giving Circles to establish funds dedicated for specific needs or groups of individuals. Giving Circles are donor initiated instead of as a response to a specific crowdfunding campaign.

Funds for Giving Circles can be tapped on for campaigns that may not have met their target amount needed. Or could be dispensed when the need arises.

To date, 3 Giving Circles has been established. These are Giving Circles for Single Parents, Special Needs and Homelessness.

The purpose of the giving circle two-fold:

1. To encourage donors to set aside funds any time they want to, for people in need. This may be to help individuals or families facing hardships or for causes that resonate with donors.
2. To provide funds to meet needs when they arise. Giving circles allow needs to be met within short notice, as it can serve as an reserve emergency fund.



CORPORATE SOCIAL RESPONSIBILITY



HOPE SUPERMARKET WITH DBS



In the past year, Ray of Hope has worked with corporate partners to embark on a more impactful giving journey. We created customised CSR programmes to match their organisations' giving philosophy and purpose with different beneficiaries' needs.

We have worked with DBS, Airbnb, Grant Thornton and Circles.life to better enable their teams to meaningfully give back to the community.



SPRING CLEANING WITH AIRBNB

BE A RAY OF HOPE TODAY!

Get involved with helping our beneficiaries – the elderly, children or families in need and individuals with special needs. Join us at events like Hope Supermarket, special lunch / dinner events, house cleaning or outings with beneficiaries.



SPRING CLEANING WITH CIRCLES.LIFE



Hope Supermarket with DBS

HOPE SUPERMARKET

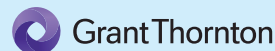
Hope Supermarket is an event that empowers families in need to choose exactly what they need. This is unlike most conventional grocery distributions, where items are prepacked for them. As a corporate sponsor, you will help organise the pop-up supermarket so the needy can shop for groceries for free! As a corporate partner, your company will sponsor the groceries as well as involve your employees to volunteer at the event to facilitate grocery shopping and packing. The event will be a fulfilling interaction for beneficiaries and volunteers alike.



LET US WORK TOGETHER TO CREATE A CUSTOMISED CSR PROGRAMME TO MATCH YOUR ORGANISATION'S GIVING PHILOSOPHY AND PURPOSE WITH BENEFICIARIES' NEEDS.



CHRISTMAS 2018 WITH GRANT THORNTON



GIVING CIRCLE

Recognise a specific group in need that your team would rally around? Start a Giving Circle to pool donations dedicated to help a specific group of individuals or families today. 100% of funds collected will be given to help meet needs they cannot fulfill alone.

As a member of a Giving Circle, your organisation will receive regular updates on beneficiaries' progress and how funds are disbursed.



CORPORATE GIFT MATCHING

Companies registered in the Gift Matching program will generously match, double or even triple the total amount raised by employees. Gift Matching donations strongly support Ray of Hope's mission to help fellow community members through trying times.

Gift Matching sets a noble precedent to other corporates and encourages employees to give more. Push your company to go the extra mile so no one gets left behind.



SPECIAL OCCASIONS

The calendar year is full of special occasions celebrated by groups in Singapore. However, some people are financially or physically unable to fully celebrate. This is where your company can step in to sponsor and invite these vulnerable individuals and families to celebrate the occasion. Let us work with you to design an event that will allow your employees and the beneficiaries to celebrate life, create experiences, and make memories, together.

WE CAN'T DO IT ON OUR OWN



Ray of Hope works with government agencies, NGOs and charities to complement the existing assistance provided.

(Left)
Partners Appreciation Evening
at the Ray of Hope office

At Ray of Hope we do not duplicate what's out there.

We complement our partners in the social service sector who refer beneficiaries to us when they run out of options to provide financial support for people they need.

(Right)
Social Sector Exchange
An evening with Mauricio Miller, Founder of the Family Independence Initiative (FII)



FINANCIAL STATEMENTS

THE RAY OF HOPE INITIATIVE LIMITED

(Registration No: 201229333H)

Statement by Directors and Financial Statements

Year Ended 31 December 2018

RSM Chio Lim LLP

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UEN: T09LL0008J

RSM Chio Lim LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Business Advisors to Growing Businesses



THE RAY OF HOPE INITIATIVE LIMITED

Statement by Directors and Financial Statements

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THE RAY OF HOPE INITIATIVE LIMITED

Statement by Directors

The directors of the company are pleased to present the financial statements of the company for the reporting year ended 31 December 2018.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance covered by the financial statements; and
- (b) at the date of the 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 approved and authorised these financial statements for issue.

2. Directors

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

Abdul Jabbar Bin Karam Din
Kenneth Kan Shung Kei
Lee Kher Sheng (Li Kesheng)
Martin Tan Beng Chong (Chen Mingzong) (Appointed on 18 July 2018)
Quak Hiang Whai (Appointed on 1 February 2019)
Thung Hock Lai, Brian Tumengan (Tang Fulai, Brian Tumengan)
Wong Mun Hoong, Mark (Huang Minxiong, Mark)
Yong Ming Chong (Yang Mingzhang)

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

The company is a company limited by guarantee and has no share capital.

4. Options

The company is a company limited by guarantee. As such, there are no share options or unissued shares under option.

THE RAY OF HOPE INITIATIVE LIMITED

5. Independent auditor

RSM Chio Lim LLP has expressed their willingness to accept re-appointment.

On behalf of the directors



.....
Thung Hock Lai, Brian Tumengan
(Tang Fulai, Brian Tumengan)
Director



.....
Kenneth Kan Shung Kei
Director

10 June 2019

RSM Chio Lim LLP

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**Independent Auditor's Report to the Members of
THE RAY OF HOPE INITIATIVE LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of The Ray of Hope Initiative Limited, which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities, and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and the Singapore Financial Reporting Standards ("SFRS") so as to give a true and fair view of the financial position of the company as at 31 December 2018 and of the financial performance, changes in funds and cash flows of the company for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report and the statement by directors but does not include the financial statements and our auditor's report thereon.

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

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

**Independent Auditor's Report to the Members of
THE RAY OF HOPE INITIATIVE LIMITED**

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Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

**Independent Auditor's Report to the Members of
THE RAY OF HOPE INITIATIVE LIMITED**

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the company has not complied with the requirements of Regulation 7 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

The engagement partner on the audit resulting in this independent auditor's report is Uthaya Chandrikaa D/O Ponnusamy.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

10 June 2019

THE RAY OF HOPE INITIATIVE LIMITED

**Statement of Financial Activities
Year Ended 31 December 2018**

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
<u>Income</u>			
Donation income	4	408,488	268,096
Other income		9,971	2,321
Total Income		<u>418,459</u>	<u>270,417</u>
<u>Expenditure</u>			
Cost of charitable activities (grant disbursements)	5	(280,583)	(175,291)
Employee benefits expenses	6	(201,989)	(179,323)
Governance costs		(12,940)	(11,015)
Other expenditure		(27,639)	(34,440)
Total Expenditure		<u>(523,151)</u>	<u>(400,069)</u>
Deficit for the year before income tax		(104,692)	(129,652)
Income tax expense	7	(4,542)	-
Net deficit for the year		<u>(109,234)</u>	<u>(129,652)</u>
Balance at 1 January 2018		<u>(23,721)</u>	<u>105,931</u>
Balance at 31 December 2018		<u>(132,955)</u>	<u>(23,721)</u>

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

THE RAY OF HOPE INITIATIVE LIMITED

Statement of Financial Position
As at 31 December 2018

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	8	4,068	–
Total non-current assets		<u>4,068</u>	<u>–</u>
<u>Current assets</u>			
Income tax recoverable		755	–
Other receivables	9	165	1,128
Other assets	10	2,318	1,098
Cash and cash equivalents	11	96,044	65,254
Total current assets		<u>99,282</u>	<u>67,480</u>
Total assets		<u>103,350</u>	<u>67,480</u>
FUNDS AND LIABILITIES			
<u>Funds</u>			
Accumulated fund		(132,955)	(23,721)
Total fund		<u>(132,955)</u>	<u>(23,721)</u>
<u>Current liabilities</u>			
Other payables	12	44,408	39,798
Amount due to a director		110,000	–
Deferred revenue	13	81,897	51,403
Total current liabilities		<u>236,305</u>	<u>91,201</u>
Total liabilities		<u>103,350</u>	<u>67,480</u>

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

THE RAY OF HOPE INITIATIVE LIMITED

Statement of Cash Flows
Year Ended 31 December 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Loss before tax	(104,692)	(129,652)
Adjustments for:		
Depreciation of plant and equipment	1,503	-
Operating cash flows before changes in working capital	<u>(103,189)</u>	<u>(129,652)</u>
Other receivables	963	16,344
Other assets	(1,220)	(1,098)
Other payables	4,610	8,436
Deferred revenue	<u>30,494</u>	<u>51,403</u>
Net cash flows used in operations	<u>(68,342)</u>	<u>(54,567)</u>
Income taxes paid	(5,297)	-
Net cash flows used in operating activities	<u>(73,639)</u>	<u>(54,567)</u>
<u>Cash flows from investing activity</u>		
Purchase of plant and equipment	<u>(5,571)</u>	<u>-</u>
Net cash flows used in investing activity	<u>(5,571)</u>	<u>-</u>
<u>Cash flows from financing activity</u>		
Amount due to a director	<u>110,000</u>	<u>-</u>
Net cash flows from financing activity	<u>110,000</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	30,790	(54,567)
Cash and cash equivalents, statement of cash flows, beginning balance	<u>65,254</u>	<u>119,821</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 11)	<u>96,044</u>	<u>65,254</u>

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

THE RAY OF HOPE INITIATIVE LIMITED

Notes to the Financial Statements 31 December 2018

1. General

The company is incorporated in Singapore as a company limited by guarantee. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are to provide assistance to deserving individuals or families in Singapore who may otherwise have no other source or insufficient source of financial support.

Each member of the company has undertaken to contribute such amounts not exceeding \$1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company has 3 members at the end of the reporting year.

The memorandum and articles of the company restricts the use of company monies to the furtherance of the objects of the company. They prohibit the payment of dividends to members.

The registered office is: 8 Temasek Boulevard, #18-03 Tower Three, Singapore 038988. The company is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

THE RAY OF HOPE INITIATIVE LIMITED

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised at point in time. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Fund has unconditional entitlement. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Fund and it is shown net of related goods and services tax and subsidies.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Income tax

Subsequent to 12 April 2019, no provision for taxation has been made as the company's income is exempted from tax under Section 13(1)(ZM) of the Singapore Income Tax Act.

THE RAY OF HOPE INITIATIVE LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	- 33.3%
---------------------	---------

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

THE RAY OF HOPE INITIATIVE LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at FVTOCI: There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at FVTPL: There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted. Reclassification of any financial liability is not permitted.

THE RAY OF HOPE INITIATIVE LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

THE RAY OF HOPE INITIATIVE LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

THE RAY OF HOPE INITIATIVE LIMITED

3. Related party relationships and transactions (cont'd)

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

The directors who performed their board responsibilities did not receive remuneration, or other benefits, from the company for board services for which they are responsible.

3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations, if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following significant related party transactions:

	<u>2018</u>	<u>2017</u>
	\$	\$
Donation received from directors for the benefit of beneficiaries	22,325	–
Grant received from a related party with common directors (Note 4)	97,550	–
Rendering of services from corporation of which a director has an interest	2,101	2,587
Loan from a director	<u>110,000</u>	<u>–</u>

Loan from a director is interest-free and repayable on demand.

3B. Key management compensation:

Key management personnel are the directors having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The directors did not receive any remuneration.

3C. Financial support:

At the end of the reporting year, the company's total liabilities exceeded its total assets by \$132,955. The company's continuation as a going concern is dependent on the financial support from a member who has undertaken to provide adequate funds for the company to meet its obligation as and when they fall due. At the date of this report, management is satisfied that the financial support will be available when required for at least a year from the end of the reporting year.

THE RAY OF HOPE INITIATIVE LIMITED

4. Donation income

	<u>2018</u>	<u>2017</u>
	\$	\$
Donation income	310,938	268,096
Grant received from related party (Note 3)	<u>97,550</u>	<u>–</u>
Total donation income	<u>408,488</u>	<u>268,096</u>

The donation income is mainly from public and corporate sponsorship and recognised based on point in time.

5. Cost of charitable activities

	<u>2018</u>	<u>2017</u>
	\$	\$
Financial assistance to individuals	275,426	168,940
Donation handling charges	<u>5,157</u>	<u>6,351</u>
Total cost of charitable activities	<u>280,583</u>	<u>175,291</u>

6. Employee benefits expense

	<u>2018</u>	<u>2017</u>
	\$	\$
Employee benefits expense	172,250	152,778
Other benefits	68	231
Contributions to defined contribution plan	<u>29,671</u>	<u>26,314</u>
Total employee benefits expense	<u>201,989</u>	<u>179,323</u>

7. Income tax

7A. Components of tax expense recognised in surplus or deficit include:

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Current tax expense:</u>		
Under provision adjustment in respect of prior year	<u>4,542</u>	<u>–</u>
Total income tax expense	<u>4,542</u>	<u>–</u>

The income tax in surplus or deficit varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2017: 17%) to deficit before income tax as a result of the following differences:

	<u>2018</u>	<u>2017</u>
	\$	\$
Deficit before tax	<u>(104,692)</u>	<u>(129,652)</u>
Income tax benefit at the above rate	(17,798)	(22,041)
Income not subject to tax	–	(395)
Expenses not deductible for tax purpose	1,643	–
Deferred tax asset not recognised as forfeited	16,155	22,436
Under provision adjustment in respect of prior year	<u>4,542</u>	<u>–</u>
Total income tax expense	<u>4,542</u>	<u>–</u>

THE RAY OF HOPE INITIATIVE LIMITED

7. Income tax (cont'd)

With effect from 12 April 2018, the company became a registered charity upon which it enjoy automatic income tax exemption under Section 13 (1) (zm) of the Income Tax Act.

8. Plant and equipment

	<u>2018</u>
	\$
<u>Cost:</u>	
At 1 January 2017 and 1 January 2018	-
Additions	5,571
At 31 December 2018	<u>5,571</u>
<u>Accumulated depreciation:</u>	
At 1 January 2017 and 1 January 2018	-
Depreciation for the year	1,503
At 31 December 2018	<u>1,503</u>
<u>Carrying value:</u>	
At 1 January 2017 and 1 January 2018	-
At 31 December 2018	<u><u>4,068</u></u>

The depreciation expense is included in other expenditure.

9. Other receivables

	<u>2018</u>	<u>2017</u>
	\$	\$
Accrued donation income	<u>165</u>	<u>1,128</u>

10. Other asset

	<u>2018</u>	<u>2017</u>
	\$	\$
Prepayments	<u>2,318</u>	<u>1,098</u>

11. Cash and cash equivalents

	<u>2018</u>	<u>2017</u>
	\$	\$
Not restricted in use	14,147	13,851
Restricted in use ^(a)	<u>81,897</u>	<u>51,403</u>
Cash at the end of the year	<u><u>96,044</u></u>	<u><u>65,254</u></u>

(a) The above amount relates to the sponsorship contributed by Mediacorp TV Singapore Pte Ltd and contribution from Giving Circles. (Note 13).

THE RAY OF HOPE INITIATIVE LIMITED

12. Other payables		
	<u>2018</u>	<u>2017</u>
	\$	\$
Outside parties and accrued liabilities	<u>44,408</u>	<u>39,798</u>
13. Deferred revenue		
	<u>2018</u>	<u>2017</u>
	\$	\$
Balance at beginning of the year	51,403	–
Received during the year	91,430	107,358
Utilised during the year	<u>(60,936)</u>	<u>(55,955)</u>
Balance at end of the year	<u>81,897</u>	<u>51,403</u>

The deferred revenue represents contribution from Mediacorp TV Singapore Pte Ltd. through their programme “Hearts and Hugs”, a Channel 8 fund-raising programme where celebrities use their talents to organise events to raise funds for beneficiaries. In addition, it also includes contribution from Giving Circles, where individuals give into a pooled fund set aside to meet the needs of a specific group of people or for a specific need.

The company actively and regularly reviews and manages the fund to ensure that the fund is disseminated to the selected beneficiaries to accomplish the goals of helping the company’s beneficiaries.

14. Financial instruments: information on financial risks

14A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>96,209</u>	<u>66,382</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>154,408</u>	<u>39,798</u>

Further quantitative disclosures are included throughout these financial statements.

THE RAY OF HOPE INITIATIVE LIMITED

14. Financial instruments: information on financial risks (cont'd)

14B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risks; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

14C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

14D. Credit risk on financial assets

Financial assets are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach, the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

As at the end of reporting year, there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

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14. Financial instruments: information on financial risks (cont'd)

14E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The funding of the company is provided by a member who has undertaken to provide adequate fund for the company to meet its obligation as and when they fall due.

15. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements, other than expanded disclosures.

<u>FRS No.</u>	<u>Title</u>
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

16. New or amended standards in issue but not yet effective

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS 12	Improvements (2017) – Amendments: Income Taxes	1 Jan 2019



**THANK YOU
FOR BEING A
RAY OF HOPE!**



♥ From all of us at Ray of Hope



**SHARMIN
FOO**

Executive Director
Stepped down on 31st Jan 2019



TAN EN
General Manager
Joined on 1st Jan 2019



**ANUSHA
ASWANI**
Partnership and
Case Manager



**SHARIFAH
ALHABSHEE**
Counsellor and
Case Manager



EILEEN TAY
Case Manager



TAY SHUYING
Programme and
Case Manager
Left on 31st Jan 2019



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**The Ray of Hope Initiative Limited is a registered charity
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National Council of Social Services.**