

COMMON PURPOSE ASIA-PACIFIC LIMITED

(A company incorporated in Singapore, limited by guarantee)
(Registration No: 201331830Z)

Statement by Directors and Financial Statements

Year Ended 31 July 2018

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600
F +65 6594 7811

Audit@RSMSingapore.sg
www.RSMSingapore.sg

UEN: T09LL0008J

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COMMON PURPOSE ASIA-PACIFIC LIMITED

Statement by Directors and Financial Statements

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COMMON PURPOSE ASIA-PACIFIC 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 July 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 of the company for the reporting year 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:

Adirupa Sengupta
Ameek Akash Parikh
Robert Frank Care
Melvin Poon Kai Leon

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures and directors' interests in 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 shares options or unissued shares of the company under option.

COMMON PURPOSE ASIA-PACIFIC LIMITED

5. Future plans

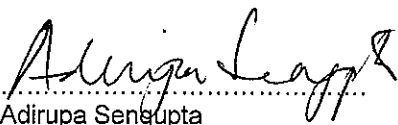
Over the next year, the company's main focus will be to continue grow its presence in the ASEAN and the wider Asia-Pacific region. It will do this by continuing to build Singapore as a hub for the company's activities at three levels:

- Global - to drive Global Leadership Programmes such as the ASEAN Leaders Programme from an ASEAN base;
- Regional - to give an Asia-Pacific focus to the company and help spread its work across this region. This would mean delivering and growing the ASEAN Leaders Programme for the ASEAN and the wider region and become a crucial player in expanding cross-sector leadership in the Asia-Pacific region; and
- Local - to make the Singapore base operate to its optimum, the company will make its presence relevant to the local community by running relevant programmes especially for young people in partnership with local and regional stakeholders.

6. Independent auditor

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

On behalf of the directors


.....
Adirupa Sengupta
Director

.....
Melvin Poon Kai Leon
Director

31 December 2018

COMMON PURPOSE ASIA-PACIFIC LIMITED

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Adirupa Sengupta
Director

31 December 2018


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**Independent Auditor's Report to the Member of
COMMON PURPOSE ASIA-PACIFIC LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Common Purpose Asia-Pacific Limited which comprise the statement of financial position as at 31 July 2018, and the statement of financial activities, statement of changes in funds 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 July 2018 and of the financial performance, changes in equity 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 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 Member of
COMMON PURPOSE ASIA-PACIFIC 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 and SFRS, 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 Member of
COMMON PURPOSE ASIA-PACIFIC 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 by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chua Ling Ling.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

31 December 2018

Engagement partner - effective from year ended 31 July 2018

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
<u>Incoming resources</u>			
Grant from member		160,440	44,146
Income from related companies		411,584	191,252
Charitable customised programme		158,640	102,993
Commercial customised programme		256,960	137,041
Commercial student programme		505,102	–
ASEAN sponsorship		175,182	188,576
ASEAN fees		194,990	240,357
Other income	4	161,937	175,900
Total income		<u>2,024,835</u>	<u>1,080,265</u>
<u>Resources expended</u>			
Charitable customised programme		(240,527)	(73,599)
Commercial customised programme		(22,817)	(12,352)
Commercial Student programme		(468,931)	–
ASEAN programme		(187,155)	(172,988)
Administrative expenses	5	(841,752)	(710,365)
Total expenditures		<u>(1,761,182)</u>	<u>(969,304)</u>
Net income for the year		<u>263,653</u>	<u>110,961</u>
Other comprehensive income		–	–
Total funds carried forward		<u>263,653</u>	<u>110,961</u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

Statement of Financial Position As at 31 July 2018

	<u>Notes</u>	<u>2018</u> \$	<u>2017</u> \$
ASSETS			
<u>Current assets</u>			
Trade receivables	7	869,953	573,421
Other assets	8	136,333	183,436
Cash and cash equivalents	9	553,473	168,520
Total current assets		<u>1,559,759</u>	<u>925,377</u>
Total assets		<u>1,559,759</u>	<u>925,377</u>
 FUNDS AND LIABILITIES			
<u>Funds</u>			
Accumulated funds		<u>401,633</u>	<u>137,980</u>
Total funds		<u>401,633</u>	<u>137,980</u>
 <u>Current liabilities</u>			
Trade and other payables	10	<u>1,158,126</u>	<u>787,397</u>
Total current liabilities		<u>1,158,126</u>	<u>787,397</u>
Total liabilities		<u>1,158,126</u>	<u>787,397</u>
Total funds and liabilities		<u>1,559,759</u>	<u>925,377</u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Changes in Funds
Year Ended 31 July 2018**

	<u>Accumulated Funds</u> \$
Current Year:	
Opening balance at 1 August 2017	137,980
Income for the reporting year	263,653
Closing balance at 31 July 2018	<u>401,633</u>
Previous Year:	
Opening balance at 1 August 2016	27,019
Income for the reporting year	110,961
Closing balance at 31 July 2017	<u>137,980</u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Cash Flows
Year Ended 31 July 2018**

	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Net income for the reporting year	263,653	110,961
Trade receivables	(296,532)	(287,218)
Other assets	47,103	(149,371)
Trade and other payables	307,033	387,399
Net cash flows from operating activities	<u>321,257</u>	<u>61,771</u>
<u>Cash flows from financing activities</u>		
Grants received in advance	63,796	(57,615)
Net movements in amounts due to member	(100)	-
Net cash flows from / (used in) from financing activities	<u>63,696</u>	<u>(57,615)</u>
Net increase in cash and cash equivalents	384,953	4,156
Cash and cash equivalents, statement of cash flows, beginning balance	<u>168,520</u>	<u>164,364</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 9)	<u>553,473</u>	<u>168,520</u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

Notes to the Financial Statements 31 July 2018

1. General

The company is incorporated in Singapore as a company limited by guarantee not having any share capital. The financial statements are presented in Singapore dollar.

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

The company is a non-profit organisation established to provide charitable and other supporting activities aimed at educational work.

Each member of the company has undertaken to contribute such amounts not exceeding \$10 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 1 member 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 dividend, bonus or profit to members or related companies.

The registered office is: 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936. The company is situated in Singapore.

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.

COMMON PURPOSE ASIA-PACIFIC LIMITED

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. 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. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed.

Grants

Grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Gifts-in-kind

A gift-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer and accounting services.

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 increase 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.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

2A. Significant accounting policies (cont'd)

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 recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Income tax

As a charity, the fund is exempt from income tax on income and gains under the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under SFRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

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 and bank overdrafts payable on demand that form an integral part of cash management.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

2A. Significant accounting policies (cont'd)

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under SFRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

2A. Significant accounting policies (cont'd)

Fair value measurement (cont'd)

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

2B. Critical judgements, assumptions and estimation uncertainties

The 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 and the 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 currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful trade accounts:

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 7 on trade and other receivables.

COMMON PURPOSE ASIA-PACIFIC LIMITED

3. Related party relationships and transactions

SFRS 24 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.

3A. Members of a group:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Common Purpose Charitable Trust	Parent company and ultimate parent company	United Kingdom

Related companies in these financial statements include the members of the above group of companies.

3B. 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 any financial guarantees 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>Member</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Grant from member	(160,440)	(44,146)
Core cost expense	<u>198,677</u>	<u>157,881</u>
	<u>Related companies</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Income from related companies	(411,584)	(191,252)
License fee expense	<u>93,713</u>	<u>55,121</u>

3C. Key management compensation:

	<u>2018</u>	<u>2017</u>
	\$	\$
Salaries and other short-term employee benefits	<u>214,375</u>	<u>202,667</u>
The above amounts are included under administrative expenses. Included in the above amounts is the following item:		
	<u>2018</u>	<u>2017</u>
	\$	\$
Remuneration of a director of the company	<u>214,375</u>	<u>202,667</u>

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

3C. Key management compensation (cont'd):

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for one director of the company.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	<u>Member</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Other receivables/(Other payables)</u>		
Balance at beginning of the year- net (credit)/debit	(100)	(100)
Amounts paid out and settlement of liabilities on behalf of another party	100	-
Balance at end of year	<u>-</u>	<u>(100)</u>

4. Other income

	<u>2018</u>	<u>2017</u>
	\$	\$
Singapore government grant	140,722	178,723
Other income	27,629	8,830
Foreign exchange losses	(6,414)	(11,653)
Total other income	<u>161,937</u>	<u>175,900</u>

5. Administrative expenses

The major components of administrative expenses include the following:

	<u>2018</u>	<u>2017</u>
	\$	\$
Employee benefits expense	<u>507,243</u>	<u>393,533</u>

6. Employee benefits expense

	<u>2018</u>	<u>2017</u>
	\$	\$
Short term employee benefits expense	500,933	376,214
Contribution to defined contribution plan	6,310	17,319
Total employee benefits expense	<u>507,243</u>	<u>393,533</u>

COMMON PURPOSE ASIA-PACIFIC LIMITED

7. Trade receivables		
	<u>2018</u>	<u>2017</u>
	\$	\$
Outside parties	275,204	168,675
Less: allowance for impairment	–	(13,791)
Member (Note 3)	347,976	236,148
Related companies (Note 3)	246,773	182,389
Total trade receivables	<u>869,953</u>	<u>573,421</u>
Movement in the above allowance on trade receivables:		
Balance at beginning of the year	(13,791)	(2,000)
Bad debts written off	13,791	2,000
Charge for trade receivables to profit or loss included in administration expenses	–	(13,791)
Balance at end of the year	<u>–</u>	<u>(13,791)</u>
8. Other assets		
	<u>2018</u>	<u>2017</u>
	\$	\$
Prepayments	<u>136,333</u>	<u>183,436</u>
9. Cash and cash equivalents		
	<u>2018</u>	<u>2017</u>
	\$	\$
Not restricted in use	<u>553,473</u>	<u>168,520</u>
The interest earning balances are not significant.		
10. Trade and other payables		
	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Trade payables:</u>		
Holding payments	141,836	220,475
Trade creditors	83,858	58,634
Accrued liabilities	43,005	73,918
Member (Note 3)	477,788	239,652
Related companies (Note 3)	206,556	53,331
Net trade payables – subtotal	<u>953,043</u>	<u>646,010</u>
<u>Other payables:</u>		
Member (Note 3)	–	100
Deferred income	205,083	141,287
Net other payables – subtotal	<u>205,083</u>	<u>141,387</u>
Total trade and other payables	<u>1,158,126</u>	<u>787,397</u>

COMMON PURPOSE ASIA-PACIFIC LIMITED

11. Financial instruments: information on financial risks

11A. 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>		
Loans and receivables	869,953	573,421
Cash and cash equivalents	553,473	168,520
At end of the year	<u>1,423,426</u>	<u>741,941</u>
<u>Financial liabilities:</u>		
Trade and other payables measured at amortised cost	953,043	646,110
At end of the year	<u>953,043</u>	<u>646,110</u>

Further quantitative disclosures are included throughout these financial statements.

11B. 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 and liquidity risk. 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 risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

11C. 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.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

11D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments 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 credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and debtors unless otherwise disclosed in the notes to the financial statements below.

Note 9 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 60 days (2017: 60 days). But some customers take a longer period to settle the amounts.

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

Concentration of trade receivable customers as at the end of reporting year:

	<u>2018</u>	<u>2017</u>
	\$	\$
Top 1 customer	61,960	44,770
Top 2 customers	89,293	64,870
Top 3 customers	<u>102,942</u>	<u>78,661</u>

11E. Liquidity risk – financial liabilities maturity analysis

There are no liabilities contracted to fall due after twelve months at the end of the reporting year. 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. The average credit period taken to settle trade payables is about 30 days (2017: 30 days). 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.

11F. Interest rate risk

There is no exposure to interest rate risk as part of its normal business.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

11G. Foreign currency risk

Analysis of amounts denominated in non-functional currency:

	<u>US dollar</u>	<u>British pound</u>	<u>Total</u>
	\$	\$	\$
<u>2018:</u>			
<u>Financial assets:</u>			
Loan and receivables	87,718	594,611	682,329
Total financial assets	<u>87,718</u>	<u>594,611</u>	<u>682,329</u>
<u>Financial liabilities:</u>			
Trade payables	–	716,230	716,230
Total financial liabilities	<u>–</u>	<u>716,230</u>	<u>716,230</u>
Net financial assets / (liabilities) at end of the year	<u>87,718</u>	<u>(121,619)</u>	<u>(33,901)</u>
<u>2017:</u>			
<u>Financial assets:</u>			
Loan and receivables	43,375	418,537	461,912
Total financial assets	<u>43,375</u>	<u>418,537</u>	<u>461,912</u>
<u>Financial liabilities:</u>			
Trade payables	–	337,384	337,384
Total financial liabilities	<u>–</u>	<u>337,384</u>	<u>337,384</u>
Net financial assets at end of the year	<u>43,375</u>	<u>81,153</u>	<u>124,528</u>

The effect on pre-tax profit is not significant.

12. Changes and adoption of financial reporting standards

For the current reporting year new and revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by Singapore Accounting Standards Council. None of these were applicable to the reporting entity.

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") 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 material adjustments to the financial position, results of operations, or cash flows for the following year.

<u>SFRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
SFRS 109	Financial Instruments	1 Jan 2018
SFRS 115	Revenue from Contracts with Customers Amendments to Clarifications to SFRS 115 Revenue from Contracts with Customer	1 Jan 2018