

## **VERY SPECIAL ARTS SINGAPORE LTD**

[UEN: 199500567G]

[A company limited by guarantee and not having share capital]

[Incorporated in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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## **Suhaimi Salleh & Associates**

[UEN: S88PF0247L]

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6725.8161

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**DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of Very Special Arts Singapore Ltd (the "Company") for the financial year ended 31 March 2017.

In the opinion of the directors,

- a) the financial statements as set out on pages 6 to 31 are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2017, and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

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

De Groote Vandendorre (Resigned on 16 May 2017)  
Jacqueline Chan Su-Lynn  
Andrew Liew  
Lim Juliana Patricia  
Stimpson Wendy Helen  
Patrick Tan Keng Sin  
Audrey Sim Hsien Lin (Audrey Shen Xianlian)

**Arrangements to enable directors to acquire benefits**

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


**Other matters**


As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

**Independent auditors**

The independent auditors, Messrs. Suhaimi Salleh & Associates, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

  
\_\_\_\_\_  
Andrew Liew  
Director



\_\_\_\_\_  
Patrick Tan Keng Sin  
Director

Singapore,

**04 AUG 2017**

## Suhaimi Salleh & Associates

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Independent auditor's report to the members of:

**VERY SPECIAL ARTS SINGAPORE LTD**  
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### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of Very Special Arts Singapore Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in funds and cash flows of the Company for the financial 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 Directors' Statement set out on page 2 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.

## Suhaimi Salleh & Associates

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(CONT'D)

Independent auditor's report to the members of:

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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 Companies Act, the Charities Act and Regulations and FRSs, 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:

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

## Suhaimi Salleh & Associates

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Independent auditor's report to the members of:

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### *Auditor's Responsibilities for the Audit of the Financial Statements (Cont'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.
- 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 those charged with governance 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 Companies Act, the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that caused us to believe that during the year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



**Suhaimi Salleh & Associates**  
Public Accountants and  
Chartered Accountants  
Singapore,

**04 AUG 2017**

Partner-in-charge: Lee Choon Keat  
PAB No.: 01721

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	Restricted Funds							Total restricted and unrestricted funds S\$				
		Unrestricted Fund	General Fund S\$	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$		NCSS Non-Funded Programme S\$	Total NCSS Fund S\$		
<b>INCOME</b>													
<b>Income from generating funds</b>													
<u>Voluntary income</u>													
Donations	5		269,622	0	0	0	0	0	0	0	8,250	8,250	277,872
Donations in-kind			0	0	0	0	0	0	0	0	45,328	45,328	45,328
Government grants			31,268	0	0	474,847	50,000	0	0	0	19,480	19,480	575,595
Singapore Totalizer Board Social Service funding			0	0	0	0	0	152,421	0	0	0	152,421	152,421
Grant income - TNF			0	66,462	0	0	0	0	0	0	0	0	66,462
			300,890	66,462	0	474,847	50,000	152,421	0	0	73,058	225,479	1,117,678
<u>Activities for generating funds</u>													
Fundraising events	5		89,417	0	0	0	0	0	0	0	0	0	89,417
Sales of work			189	0	0	0	0	0	0	0	94,540	94,540	94,729
Sales of ticket			1,720	0	0	0	0	0	0	0	0	0	1,720
			91,326	0	0	0	0	0	0	0	94,540	94,540	185,866
<b>Income from charitable activities</b>													
Programme fees			27,069	0	0	0	0	0	0	0	64,994	64,994	92,063
			27,069	0	0	0	0	0	0	0	64,994	64,994	92,063
<b>Other income</b>													
Bank interest income			1,192	363	0	0	0	0	0	0	0	0	1,555
Fixed deposits interest income			25,520	0	0	0	0	0	0	0	0	0	25,520
Miscellaneous income			13,027	0	0	0	0	0	0	0	491	491	13,518
			39,739	363	0	0	0	0	0	0	491	491	40,593
<b>Total income</b>			459,024	66,825	0	474,847	50,000	152,421	0	0	233,083	385,504	1,436,200

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

	Note	Restricted Funds							Total restricted and unrestricted funds S\$
		Unrestricted Fund	The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$	
<b>EXPENDITURE</b>									
<b>Cost of generating funds</b>									
Fundraising event expenses		20,449	0	0	0	0	0	0	20,449
		20,449	0	0	0	0	0	0	20,449
<b>Government and Administrative costs</b>									
Audit fee		1,850	0	0	0	0	86	1,850	3,700
Assist to clients		150	0	0	455	12,891	6,263	54,687	68,183
Bank charges		538	0	0	63	134	105	1,267	2,002
Communications		1,929	0	0	393	96	157	2,558	4,976
Depreciation of property, plant and equipment	9	19,571	0	0	0	0	0	19,572	39,143
Insurance		950	0	0	0	0	98	1,438	2,486
Loss/ (gain) on property, plant and equipment		1,441	0	0	0	0	0	(100)	1,341
Maintenance of equipment		2,659	0	0	288	130	226	3,627	6,704
Miscellaneous expenses		0	0	0	0	0	288	3,100	3,100
Printing and stationery		208	2,500	0	9,505	1,041	513	4,587	17,841
Professional fee		7,498	54,575	0	59,610	1,290	5,517	61,922	184,895
Rental of premises and facilities		5,737	1,817	0	19,954	11,881	7,014	66,577	105,966
Staff costs	6	136,996	0	0	54,225	11,646	122,882	323,566	526,433
Supplies and materials		7,677	2,621	0	34,299	10,125	8,667	97,454	152,176
Transport		517	4,974	0	2,569	662	352	3,391	12,113
Utilities		4,379	0	0	277	104	253	4,815	9,575
		192,100	66,487	0	181,638	50,000	152,421	650,409	1,140,634
<b>Total expenditure</b>		212,549	66,487	0	181,638	50,000	152,421	650,409	1,161,083

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

Note	Unrestricted Fund	Restricted Funds						Total restricted and unrestricted funds S\$
		The Nippon Foundation S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$	
	General Fund S\$	246,475	0	293,209	0	0	(264,905)	275,117
		2,595,868	0	(61,398)	0	0	(542,079)	1,992,391
		2,842,343	338	231,811	0	0	(806,984)	2,267,508
	<b>Net income/ (expenditure) for the year</b>							
	<b>Total funds brought forward</b>							
	<b>Total funds carried forward</b>							

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





**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

	Note	Restricted Funds							Total restricted and unrestricted funds S\$	
		Unrestricted Fund	General Fund S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$	NCSS Non-Funded Programme S\$		Total NCSS Fund S\$
<b>Other income (Cont'd)</b>										
Bal b/f			53,386	0	0	0	9,797	34,875	44,672	98,058
Miscellaneous income			2,644	0	0	0	0	327	327	2,971
			56,030	0	0	0	9,797	35,202	44,999	101,029
<b>Total income</b>			651,047	0	296,109	67,000	157,491	197,440	354,931	1,369,087
<b>EXPENDITURE</b>										
<b>Cost of generating funds</b>			4,944	0	4,637	1,004	0	7,148	7,148	17,733
Fundraising event expenses			4,944	0	4,637	1,004	0	7,148	7,148	17,733
<b>Government and administrative costs</b>										
Audit fee			1,675	0	875	160	296	694	990	3,700
Assist to clients			38	0	6,274	11,704	1,397	36,332	37,729	55,745
Bank charges			231	0	431	498	219	1,766	1,985	3,145
Communications			777	0	1,900	504	422	1,683	2,105	5,286
Depreciation of property, plant and equipment	9		32,710	0	0	0	4,628	28,082	32,710	65,420
Insurance			618	0	619	147	271	820	1,091	2,475
Maintenance of equipment			1,046	0	2,373	567	496	2,375	2,871	6,857
Miscellaneous expenses			200	0	2,200	47	1,402	151	1,553	4,000
Printing and stationery			1,297	0	3,897	970	1,058	3,764	4,822	10,986
Professional fee			1,465	0	38,214	876	6,700	31,690	38,390	78,945
Rental of premises and facilities			1,061	0	27,151	14,482	6,868	49,805	56,673	99,367
Staff costs	6		48,701	0	226,923	19,291	118,406	80,446	198,852	493,767
Supplies and materials			5,876	0	36,200	16,008	14,307	55,910	70,217	128,301
Bal c/f			95,695	0	347,057	65,254	156,470	293,518	449,988	957,994

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

Note	Unrestricted Fund	Restricted Funds					Total NCSS Fund S\$	Total restricted and unrestricted funds S\$
		General Fund S\$	Building Fund S\$	Care & Share Fund S\$	President's Challenge S\$	NCSS Funded Programme S\$		
<b>Government and administrative costs (Cont'd)</b>								
Bal b/f	95,695	0	347,057	65,254	156,470	293,518	957,994	
Transport	69	0	1,770	139	201	437	2,616	
Utilities	1,024	0	4,043	603	820	2,446	8,936	
	<u>96,788</u>	<u>0</u>	<u>352,870</u>	<u>65,996</u>	<u>157,491</u>	<u>296,401</u>	<u>969,546</u>	
<b>Total expenditure</b>	<b>101,732</b>	<b>0</b>	<b>357,507</b>	<b>67,000</b>	<b>157,491</b>	<b>303,549</b>	<b>987,279</b>	
<b>Net income/ (expenditure) for the year</b>	<b>549,315</b>	<b>0</b>	<b>(61,398)</b>	<b>0</b>	<b>0</b>	<b>(106,109)</b>	<b>381,808</b>	
<b>Total funds brought forward</b>	<b>2,046,553</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(435,970)</b>	<b>1,610,583</b>	
<b>Total funds carried forward</b>	<b>2,595,868</b>	<b>0</b>	<b>(61,398)</b>	<b>0</b>	<b>0</b>	<b>(542,079)</b>	<b>1,992,391</b>	

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Note	2017 S\$	2016 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	2,634,137	1,776,738
Other receivables	8	69,338	25,785
		<u>2,703,475</u>	<u>1,802,523</u>
<b>Non-current asset</b>			
Property, plant and equipment	9	215,082	234,245
		<u>215,082</u>	<u>234,245</u>
<b>Total assets</b>		<u>2,918,557</u>	<u>2,036,768</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	10	82,001	38,164
Deferred income - Project	11	562,835	0
		<u>644,836</u>	<u>38,164</u>
<b>Non-current liabilities</b>			
Deferred income - Building Fund	12	6,213	6,213
		<u>6,213</u>	<u>6,213</u>
<b>Total liabilities</b>		<u>651,049</u>	<u>44,377</u>
<b>NET ASSETS</b>		<u>2,267,508</u>	<u>1,992,391</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
General Fund	13	2,842,343	2,595,868
		<u>2,842,343</u>	<u>2,595,868</u>
<b>Restricted funds</b>			
The Nippon Foundation	14	338	0
Building Fund	15	0	0
Care & Share Fund	16	231,811	(61,398)
President's Challenge	17	0	0
NCSS Fund	18	(806,984)	(542,079)
		<u>(574,835)</u>	<u>(603,477)</u>
<b>TOTAL FUNDS</b>		<u>2,267,508</u>	<u>1,992,391</u>

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

**STATEMENT OF CHANGES IN FUNDS  
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Transfers from/ (to) S\$	Balance at end of year S\$
<b>2017</b>				
<b>Unrestricted fund</b>				
General Fund	2,595,868	246,475	0	2,842,343
<b>Restricted funds</b>				
The Nippon Foundation	0	338	0	338
Building Fund	0	0	0	0
Care & Share Fund	(61,398)	293,209	0	231,811
President's Challenge	0	0	0	0
NCSS Fund	(542,079)	(264,905)	0	(806,984)
	(603,477)	28,642	0	(574,835)
<b>Total funds</b>	<b>1,992,391</b>	<b>275,117</b>	<b>0</b>	<b>2,267,508</b>

	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Transfers from/ (to) S\$	Balance at end of year S\$
<b>2016</b>				
<b>Unrestricted fund</b>				
General Fund	2,046,553	549,315	0	2,595,868
<b>Restricted funds</b>				
Building Fund	0	0	0	0
Care & Share Fund	0	(61,398)	0	(61,398)
President's Challenge	0	0	0	0
NCSS Fund	(435,970)	(106,109)	0	(542,079)
	(435,970)	(167,507)	0	(603,477)
<b>Total funds</b>	<b>1,610,583</b>	<b>381,808</b>	<b>0</b>	<b>1,992,391</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	2017 S\$	2016 S\$
<b>Cash flows from operating activities</b>			
Net income for the year		275,117	381,808
Adjustments for:			
- Depreciation of property, plant and equipment	9	39,143	65,420
- Interest income on fixed deposit		(25,520)	(7,148)
- Loss on disposal of property, plant and equipment		1,541	0
- Reversal of over accumulated depreciation of property, plant and equipment	9	0	(89,344)
Operating cash flow before working capital changes		290,281	350,736
Changes in operating assets and liabilities			
- Other receivables		(26,515)	(5,320)
- Other payables		43,837	(1,299)
- Deferred income		562,835	(12,582)
<b>Net cash provided by operating activities</b>		<u>870,438</u>	<u>331,535</u>
<b>Cash flows from investing activities</b>			
Interest received		8,482	7,132
Purchase of property, plant and equipment	9	(21,521)	(14,526)
<b>Net cash used in investing activities</b>		<u>(13,039)</u>	<u>(7,394)</u>
<b>Net increase in cash and cash equivalents</b>		857,399	324,141
Cash and cash equivalents at beginning of financial year		1,776,738	1,452,597
<b>Cash and cash equivalents at end of financial year</b>	7	<u>2,634,137</u>	<u>1,776,738</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand		2,012	1,007
Cash at banks		1,032,125	239,543
Fixed deposits		1,600,000	1,536,188
	7	<u>2,634,137</u>	<u>1,776,738</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information**

Very Special Arts Singapore Ltd (the "Company") is a public company limited by guarantee and not having share capital. The Company is incorporated and domiciled in Singapore. The Company's registered address and principal place of business is located at 133 Bedok North Avenue 3, #01-138 Singapore 460133.

The Company was registered as charity under the Charities Act, Chapter 37 on 05 September 1995. The Company has been accorded an Institutions of a Public Character ("IPC") status until 31 January 2018.

The principal activities of the Company are those of providing social services without accommodation for children, youth and families as well as job training and vocational rehabilitation services.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the disclosure requirements of the Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**2.1.1 Interpretations and amendments to published standards effective in 2016**

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 April 2016. The adoption of the standard did not have any material effect on the financial statements.

**2.1.2 Standards issued but not yet effective**

The Company did not early adopt the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future period:

Description	Effective for annual periods beginning on or after
FRS 109 Financial instruments	1 January 2018
FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases	1 January 2019

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

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## 2. Significant accounting policies (Cont'd)

### 2.4 Property, plant and equipment

#### *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

#### *Depreciation*

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Renovation	10 years
Furniture and fixtures	5 years
Office equipment	3 - 5 years
Air-conditioner	5 years

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

#### *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### *Disposal*

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

Fully depreciated asset still in use are retained in the financial statements.

### 2.5 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.



## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

#### **2.2.1 Donations**

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

#### **2.2.2 Donations-in-kind**

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

#### **2.2.3 Government grants**

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

#### **2.2.4 Fundraising events income**

Revenue from special events is recognised when the event takes place.

#### **2.2.5 Interest income**

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

#### **2.2.6 Other Income**

Other income is recognised when received.

### **2.3 Expenditure recognition**

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible, where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### **2.3.1 Cost of generating funds**

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

#### **2.3.2 Governance and administrative costs**

Governance costs include the cost of governance arrangement, which related to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

## **2. Significant accounting policies (Cont'd)**

### **2.5 Impairment of non-financial assets (Cont'd)**

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

### **2.6 Financial assets**

#### **2.6.1 Classification**

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Cash and cash equivalents" and "Other receivables" on the statement of financial position.

#### **2.6.2 Recognition and derecognition**

Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### **2.6.3 Initial measurement**

Financial assets are initially recognised at fair value plus transaction costs.

#### **2.6.4 Subsequent measurement**

Loans and receivables are subsequently carried at amortised cost using effective interest method.

#### **2.6.5 Impairment**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

An allowance for impairment of loans and receivables including other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## **2. Significant accounting policies (Cont'd)**

### **2.6 Financial assets (Cont'd)**

#### **2.6.5 Impairment (Cont'd)**

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

### **2.7 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in value.

### **2.8 Other receivables**

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

### **2.9 Financial liabilities**

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### **2.10 Other payables**

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

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## **2. Significant accounting policies (Cont'd)**

### **2.16 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

### **2.17 Events after the reporting date**

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

### **2.18 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Company or of a parent of the Company;
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others;
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## **3. Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### **3.1 Judgements made in applying accounting policies**

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

## **2. Significant accounting policies (Cont'd)**

### **2.11 Provision for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.12 Operating leases as lessee**

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### **2.13 Foreign currencies**

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

### **2.14 Employee benefits**

#### **2.14.1 Defined contribution plans**

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### **2.14.2 Short-term employee benefits**

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

### **2.15 Funds**

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

### 3. Significant accounting judgements and estimates (Cont'd)

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### 3.2.1 Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### 3.2.2 Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment as of 31 March 2017 and 2016 is S\$215,082 and S\$234,245 respectively.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 March 2017 and 2016.

#### 4. Income tax

The Company is a charity registered under the Charities Act since 05 September 1995. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

#### 5. Donations

	2017 S\$	2016 S\$
Tax exempt donations	251,928	389,430
Non-tax exempt donations	115,361	105,893
	<u>367,289</u>	<u>495,323</u>
The donations were allocated as follows:		
• Donations	277,872	387,209
• Fundraising events	89,417	108,114
	<u>367,289</u>	<u>495,323</u>

**6. Staff costs**

**Staff costs were allocated as follows:**

	General fund S\$	Care & Share fund S\$	Presidents' Challenge S\$	NCSS funded programme S\$	NCSS non-funded programme S\$	Total NCSS fund S\$	Total S\$
<b>2017</b>							
Staff salaries, bonuses and professional fee	119,821	40,635	9,873	109,477	179,883	289,360	459,689
Employer's contribution to CPF and SDL	11,157	6,719	1,636	11,813	18,090	29,903	49,415
Staff insurance	501	470	51	547	765	1,312	2,334
Staff transport	783	639	36	425	794	1,219	2,677
Staff training	3,651	5,472	0	10	30	40	9,163
Staff welfare	1,083	290	50	610	1,122	1,732	3,155
	<u>136,996</u>	<u>54,225</u>	<u>11,646</u>	<u>122,882</u>	<u>200,684</u>	<u>323,566</u>	<u>526,433</u>

	General fund S\$	Care & Share fund S\$	Presidents' Challenge S\$	NCSS funded programme S\$	NCSS non-funded programme S\$	Total NCSS fund S\$	Total S\$
<b>2016</b>							
Staff salaries, bonuses and professional fee	39,235	201,629	14,621	103,300	56,715	160,015	415,500
Employer's contribution to CPF and SDL	7,451	14,215	1,930	12,400	13,899	26,299	49,895
Staff insurance	75	349	148	161	663	824	1,396
Staff transport	255	729	1,321	380	4,333	4,713	7,018
Staff training	1,150	9,150	983	1,821	3,497	5,318	16,601
Staff welfare	535	851	288	344	1,339	1,683	3,357
	<u>48,701</u>	<u>226,923</u>	<u>19,291</u>	<u>118,406</u>	<u>80,446</u>	<u>198,852</u>	<u>493,767</u>

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**7. Cash and cash equivalents**

	2017 S\$	2016 S\$
Cash on hand	2,012	1,007
Cash at banks	1,032,125	239,543
Fixed deposits	<u>1,600,000</u>	<u>1,536,188</u>
	<u>2,634,137</u>	<u>1,776,738</u>

The fixed deposits mature within 1 to 8 months (2016: 2 to 12 months) from the financial year end and earn interest at rate of 1.10% to 1.93% (2016: 0.45% to 1.95%) per annum.

At the reporting date, the carrying amounts of fixed deposits approximate their fair values.

**8. Other receivables**

	2017 S\$	2016 S\$
Other receivables	24,558	4,808
Interest receivables on fixed deposits	18,265	1,227
Deposit	16,709	14,619
Prepayments	<u>9,806</u>	<u>5,131</u>
	<u>69,338</u>	<u>25,785</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.



**9. Property, plant and equipment**

<b>Cost</b>	<b>Renovation S\$</b>	<b>Furniture and fixtures S\$</b>	<b>Office equipment S\$</b>	<b>Air Conditioner S\$</b>	<b>Total S\$</b>
At 1 April 2015	443,912	13,691	46,142	2,050	505,795
Additions	0	2,756	11,770	0	14,526
Written off	(127,298)	(8,570)	(17,222)	0	(153,090)
At 31 March 2016	316,614	7,877	40,690	2,050	367,231
Additions	0	0	21,521	0	21,521
Written off	0	0	(11,884)	0	(11,884)
At 31 March 2017	316,614	7,877	50,327	2,050	376,868
<b>Accumulated depreciation</b>					
At 1 April 2015	258,667	12,211	37,072	2,050	310,000
Depreciation charge	58,023	1,413	5,984	0	65,420
Written off	(216,440)	(9,196)	(16,798)	0	(242,434)
At 31 March 2016	100,250	4,428	26,258	2,050	132,986
Depreciation charge	30,909	1,497	6,737	0	39,143
Written off	0	0	(10,343)	0	(10,343)
At 31 March 2017	131,159	5,925	22,652	2,050	161,786
<b>Carrying amount</b>					
31 March 2016	216,364	3,449	14,432	0	234,245
31 March 2017	185,455	1,952	27,675	0	215,082

**10. Other payables**

	2017 S\$	2016 S\$
Other payables	15,594	1,577
Accruals	<u>66,407</u>	<u>36,587</u>
	<u>82,001</u>	<u>38,164</u>

At the reporting date, the carrying amounts of other payables approximate their fair value.

**11. Deferred income – Project**

	2017 S\$	2016 S\$
At beginning of financial year	0	12,582
Received during the financial year	629,297	0
Transferred to project income	<u>(66,462)</u>	<u>(12,582)</u>
At end of financial year	<u>562,835</u>	<u>0</u>

At the reporting date, the carrying amounts of deferred income – Project approximate their fair value.

**12. Deferred income – Building Fund**

	2017 S\$	2016 S\$
At beginning and end of financial year	<u>6,213</u>	<u>6,213</u>

At the reporting date, the carrying amounts of deferred income – Building Fund approximate their fair value.

**13. General Fund**

The General Fund are expendable at the discretion of the Management in furtherance of the Company's objects and purposes.

**14. The Nippon Foundation Fund**

This fund is set up for the expenses incurred on the project, TRUE COLORS Asia Pacific Festival of Artists with Disabilities. The Company have received the grant income from The Nippon Foundation to support this project.

Movement for the year is as follows:

	2017 S\$	2016 S\$
At beginning of financial year	0	0
Add: Income	66,825	0
Less: Expenditure	<u>(66,487)</u>	<u>0</u>
At end of financial year	<u>338</u>	<u>0</u>

**15. Building Fund**

The building fund comprises a specific donation received from Lee Foundation for the construction and maintenance of the Company's office, including furnishing and equipment cost.

Building fund, to the extent utilised, is recognised in the statement of financial activities over the useful life of the property, plant and equipment purchased with the proceeds from the fund to correspond to the depreciation charge in respect of such assets. The unutilised portion of the fund is retained in the statement of financial position.

**16. Care & Share Fund**

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Company provided by the Government in celebration of SGD50 to build capabilities and capabilities of the social service sector.

**17. President's Challenge**

Initiated by former President S R Nathan in 2000 and continued by President Tony Tan in 2012, the President's Challenge is an annual series of events to create greater awareness of the needs of the social service voluntary sector, and to mobilise the community to help the disadvantaged and less fortunate in our midst.

**18. NCSS Fund**

The fund was set up to provide the funding to the Alive and Alert programmes. It's restricted to the NCSS funded programmes.

**19. Operating lease commitments**

The Company leases office premise from non-related parties under non-cancellable operating lease agreement. The lease has varying terms, escalating clauses and renewal rights.

The future minimum rental payable under non-cancellable operating lease contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	2017 S\$	2016 S\$
Not later than one year	43,536	43,536
Later than one year but not later than five years	156,365	199,901
Later than five years	0	0
	<u>199,901</u>	<u>243,437</u>

**20. Related party transactions and balances**

**(a) Related party transactions and balances**

There was no transaction between the Company and related party for the financial year ended 31 March 2017 and 31 March 2016.

During the current and previous year, none of the directors received any remuneration from the Company.

**20. Related party transactions and balances (Cont'd)**

**(b) Compensation of key management personnel**

Key management personnel compensation for the financial year was as follows:

	2017 S\$	2016 S\$
Executive's remuneration:		
Salaries and bonuses	176,939	189,678
Employer's contribution to CPF	<u>19,585</u>	<u>18,783</u>
	<u>196,524</u>	<u>208,461</u>
No. of executive of the Company in remuneration bands:		
Below S\$100,000	3	1
Above S\$100,000 and below S\$150,000	<u>0</u>	<u>1</u>
	<u>3</u>	<u>2</u>

**21. Financial instruments**

The financial assets and liabilities of the Company as at the financial reporting date was as follows:

	2017 S\$	2016 S\$
<u>Financial Assets</u>		
Loans and receivables		
Cash and cash equivalents	2,634,137	1,776,738
Other receivables	<u>59,532</u>	<u>20,654</u>
	<u>2,293,669</u>	<u>1,797,392</u>
<u>Financial Liabilities</u>		
Other payables	<u>82,001</u>	<u>38,164</u>

**22. Financial risk management**

The Company is mainly exposed to currency risk, interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

Currency risk

The Company is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollar.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

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## 22. Financial risk management (Cont'd)

### Interest rate risk (Cont'd)

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

### Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2017 S\$	2016 S\$
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	<u>1,600,000</u>	<u>1,536,188</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

### Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Company.

The Company does has minimal exposure to credit risks due to the nature of its activities.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

## 22. Financial risk management (Cont'd)

### Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2,634,137	0	2,634,137
Other receivables (excluding prepayments)	59,532	0	59,532
	<u>2,693,669</u>	<u>0</u>	<u>2,693,669</u>
<b>Financial liabilities</b>			
Other payables	<u>(82,001)</u>	<u>0</u>	<u>(82,001)</u>
	<u>(82,001)</u>	<u>0</u>	<u>(82,001)</u>
Net financial assets	<u>2,611,668</u>	<u>0</u>	<u>2,611,668</u>
	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2016</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,776,738	0	1,776,738
Other receivables (excluding prepayments)	20,654	0	20,654
	<u>1,797,392</u>	<u>0</u>	<u>1,797,392</u>
<b>Financial liabilities</b>			
Other payables	<u>(38,164)</u>	<u>0</u>	<u>(38,164)</u>
	<u>(38,164)</u>	<u>0</u>	<u>(38,164)</u>
Net financial assets	<u>1,759,228</u>	<u>0</u>	<u>1,759,228</u>

## 23. Fair values

As at 31 March 2017, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

**24. Fund raising expenses**

	2017 S\$	2016 S\$
Gross donations	89,417	108,114
Direct costs of fund raising expenses	20,449	17,733
Percentage of direct fund raising expenses over gross donations and sponsorship	<u>22.87</u>	<u>16.40</u>

**25. Reserve position and policy**

The Company's reserve position for financial year ended 31 March 2017 is as follows:

		2017	2016	Increase/ (decrease)
		S\$	S\$	%
<b>A</b>	<b>Unrestricted Fund</b>			
	General Fund	2,842,343	2,595,868	9.49
<b>B</b>	<b>Restricted Funds</b>			
	The Nippon Foundation	338	0	N/A
	Building Fund	0	0	0.00
	Care & Share Fund	231,811	(61,398)	477.55
	President's Challenge	0	0	0
	NCSS Fund	(806,984)	(542,079)	(48.87)
<b>C</b>	<b>Endowment Fund</b>	N/A	N/A	N/A
<b>D</b>	<b>Total Funds</b>	2,267,508	1,992,391	13.81
<b>E</b>	<b>Total Annual Operating Expenditure</b>	1,161,083	987,279	17.60
<b>F</b>	<b>Ratio of Funds to Annual Operating Expenditure (A/E)</b>	2.45	2.63	

Reference:

- C. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted/ designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to Cost of Generating Funds and Governance and Administration costs.

The Company's reserve policy is as follows:

The reserve of the Company provide financial stability and the means for the development of the Company's activities. The Board intends to maintain the reserves at a level sufficient for its operating needs. The Company reviews the level of reserves regularly for the Company's continuing obligations.

**26. Management of conflict of interest**

During the current and previous financial year, none of the Board Members received any remuneration from the Company.

Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Directors may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

**27. Authorisation of financial statements**

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors on **04 AUG 2017**