

**CHEN SU LAN METHODIST  
CHILDREN'S HOME**

[UEN. S68SS0016K]

[Charity Reg. No. 000063]

[IPC No. IPC000442]

[Registered under the Registry of Societies]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2015**

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**Fiducia LLP**

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**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 30 are drawn up so as to give a true and fair view of the financial position of the Home as at 31 December 2015 and of the financial activities, changes in funds and cash flows of the Home for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Home will be able to pay its debts as and when they fall due.

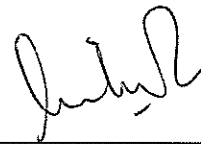
The Management Committee, comprising the following, authorised the issue of these financial statements on **- 3 MAY 2016**

|                    |                       |
|--------------------|-----------------------|
| Chairman           | Lee Ping Shih         |
| Vice Chairman      | Gary Daniel Chia      |
| Honorary Secretary | Leo Wee Lin           |
| Honorary Treasurer | Clifton Tan Tiong Jin |
| Committee Member   | Dr (Mrs) Tan Pui Yong |
| Committee Member   | Wong Tien Poh         |
| Committee Member   | Yap Sze Hon           |
| Committee Member   | Eddie Ong Chin Hin    |
| Committee Member   | Low Wee Ping          |
| Committee Member   | Rev Dr Kow Shih Ming  |

For and on behalf of the Management Committee,



\_\_\_\_\_  
Lee Ping Shih  
Chairman



\_\_\_\_\_  
Clifton Tan Tiong Jin  
Honorary Treasurer

Singapore,  
**- 3 MAY 2016**

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## Fiducia LLP

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Independent auditors' report to the members of:

### **CHEN SU LAN METHODIST CHILDREN'S HOME**

[UEN. S68SS0016K]  
[Charity Reg. No. 000063]  
[IPC No. IPC000442]  
[Registered under the Societies Act (Chapter 311) in the  
Republic of Singapore]

### **Report on the financial statements**

We have audited the accompanying financial statements of Chen Su Lan Methodist Children's Home (the "Home") for the financial year ended 31 December 2015 as set out on pages 5 to 30, which comprise the balance sheet as at 31 December 2015, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management Committee's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that 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.

#### *Auditor's Responsibility*

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

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

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

## Fiducia LLP

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(Cont'd)

Independent auditors' report to the members of:

**CHEN SU LAN METHODIST CHILDREN'S HOME**  
[UEN. S68SS0016K]  
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### *Opinion*

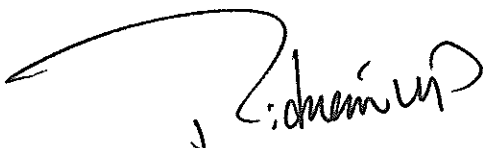
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charity Accounting Standard so as to give a true and fair view of the financial position of the Home as at 31 December 2015, and of the financial activities, changes in funds and cash flows of the Home for the financial year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Home have been properly kept in accordance with those regulations.

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

- a. the use of the donation moneys was not in accordance with the objectives of the Charity as required under regulation 11 of the Charities (Institution of a Public Character) Regulations; and
- b. the Charity has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants  
Singapore,  
- 3 MAY 2016

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

| 2015                                     | Note | Unrestricted funds      |                      |                  |                   | Restricted funds |                       |                              | Total funds S\$ |                  |
|--|------|-------------------------|----------------------|------------------|-------------------|------------------|-----------------------|------------------------------|-----------------|------------------|
|  |      | General fund (Home) S\$ | Designated funds S\$ | Total S\$        | Building fund S\$ | Capital fund S\$ | Care & share fund S\$ | Children disability fund S\$ |                 | Total S\$        |
| <b>INCOME</b>                            |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
| <b>Voluntary income</b>                  |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
|  | 5    | 787,873                 | 171,987              | 959,860          | 0                 | 0                | 0                     | 400,000                      | 400,000         | 1,359,860        |
|  | 6    | 1,514,948               | 248,468              | 1,763,416        | 0                 | 0                | 0                     | 288,732                      | 288,732         | 2,052,148        |
|  |      | <u>2,302,821</u>        | <u>420,455</u>       | <u>2,723,276</u> | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>688,732</u>               | <u>688,732</u>  | <u>3,412,008</u> |
| <b>Income from charitable activities</b> |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
|  |      | 0                       | 14,800               | 14,800           | 0                 | 0                | 0                     | 0                            | 0               | 14,800           |
|  |      | 0                       | 199,478              | 199,478          | 0                 | 0                | 0                     | 0                            | 0               | 199,478          |
|  |      | 7,200                   | 0                    | 7,200            | 0                 | 0                | 0                     | 0                            | 0               | 7,200            |
|  |      | <u>7,200</u>            | <u>214,278</u>       | <u>221,478</u>   | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>0</u>                     | <u>0</u>        | <u>221,478</u>   |
| <b>Investment income</b>                 |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
|  |      | 39,231                  | 0                    | 39,231           | 0                 | 0                | 0                     | 0                            | 0               | 39,231           |
| <b>Other income</b>                      |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
|  |      | 50                      | 0                    | 50               | 0                 | 0                | 0                     | 0                            | 0               | 50               |
|  |      | 20,665                  | 6,260                | 26,925           | 0                 | 0                | 0                     | 0                            | 0               | 26,925           |
|  |      | <u>20,715</u>           | <u>6,260</u>         | <u>26,975</u>    | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>0</u>                     | <u>0</u>        | <u>26,975</u>    |
|  |      | <u>2,369,967</u>        | <u>640,993</u>       | <u>3,010,960</u> | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>688,732</u>               | <u>688,732</u>  | <u>3,699,692</u> |
| <b>LESS: EXPENDITURE</b>                 |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
| <b>Cost of charitable activities</b>     |      |                         |                      |                  |                   |                  |                       |                              |                 |                  |
|  | 7    | 136,588                 | 107,719              | 244,307          | 0                 | 0                | 0                     | 32,242                       | 32,242          | 276,549          |
|  | 8    | 78,057                  | 21,644               | 99,701           | 0                 | 0                | 0                     | 20,899                       | 20,899          | 120,600          |
|  | 9    | 1,477,754               | 439,041              | 1,916,795        | 0                 | 0                | 0                     | 433,886                      | 433,886         | 2,350,681        |
|  |      | <u>1,692,399</u>        | <u>568,404</u>       | <u>2,260,803</u> | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>487,027</u>               | <u>487,027</u>  | <u>2,747,830</u> |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2015 (Cont'd)                                    | Note | Unrestricted funds      |                      |                  |                   |                  | Restricted funds      |                              |                  |                   | Total funds S\$ |                   |
|--|------|-------------------------|----------------------|------------------|-------------------|------------------|-----------------------|------------------------------|------------------|-------------------|-----------------|-------------------|
|  |      | General fund (Home) S\$ | Designated funds S\$ | Total S\$        | Building fund S\$ | Capital fund S\$ | Care & share fund S\$ | Children disability fund S\$ | Total S\$        |                   |                 |                   |
| <b>LESS: EXPENDITURE (CONT'D)</b>                |      |                         |                      |                  |                   |                  |                       |                              |                  |                   |                 |                   |
| <b>Governance and other administrative costs</b> |      |                         |                      |                  |                   |                  |                       |                              |                  |                   |                 |                   |
| Alumni expenses                                  | 10   | 117,001                 | 12,053               | 129,054          | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 129,054           |
| Depreciation of property, plant and equipment    |      | 903                     | 31,820               | 32,723           | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 32,723            |
| Goods and service tax                            | 16   | 162,281                 | 28,976               | 191,257          | 94,264            | 0                | 0                     | 0                            | 0                | 0                 | 94,264          | 285,521           |
| Maintenance expenses                             |      | 22,995                  | 18,497               | 41,492           | 0                 | 0                | 0                     | 0                            | 6,868            | 0                 | 6,868           | 48,360            |
| Miscellaneous expenses                           | 11   | 72,466                  | 0                    | 72,466           | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 72,466            |
| Professional fees                                |      | 36,009                  | 471                  | 36,480           | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 36,480            |
| Property, plant and equipment written off        | 12   | 61,778                  | 12,185               | 73,963           | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 73,963            |
|  |      | 10,418                  | 5,081                | 15,499           | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 15,499            |
|  |      | 483,851                 | 109,083              | 592,934          | 94,264            | 0                | 0                     | 6,868                        | 0                | 101,132           | 0               | 694,066           |
| <b>Total expenditure</b>                         |      | <u>2,176,250</u>        | <u>677,487</u>       | <u>2,853,737</u> | <u>94,264</u>     | <u>0</u>         | <u>0</u>              | <u>493,895</u>               | <u>588,159</u>   | <u>3,441,896</u>  | <u>0</u>        | <u>3,441,896</u>  |
| Net income / (expenditure) for the year          |      | 193,717                 | (36,494)             | 157,223          | (94,264)          | 0                | 0                     | 194,837                      | 100,573          | 257,796           | 0               | 257,796           |
| Transfers between funds                          |      | (100,000)               | 100,000              | 0                | 0                 | 0                | 0                     | 0                            | 0                | 0                 | 0               | 0                 |
| Total funds brought forward                      |      | 9,307,256               | 356,296              | 9,663,552        | 6,384,269         | 100,000          | 83,300                | 0                            | 6,567,569        | 16,231,121        | 0               | 16,231,121        |
| <b>Total funds carried forward</b>               |      | <u>9,400,973</u>        | <u>419,802</u>       | <u>9,820,775</u> | <u>6,290,005</u>  | <u>100,000</u>   | <u>83,300</u>         | <u>194,837</u>               | <u>6,668,142</u> | <u>15,488,917</u> | <u>0</u>        | <u>15,488,917</u> |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2015                                     | Designated funds         |                                   |                                     |                            |                                       |                           |                                    | Total<br>S\$   |
|--|--------------------------|-----------------------------------|-------------------------------------|----------------------------|---------------------------------------|---------------------------|------------------------------------|----------------|
|  | Childcare<br>fund<br>S\$ | CSL<br>scholarship<br>fund<br>S\$ | Donor<br>scholarship<br>fund<br>S\$ | Educational<br>fund<br>S\$ | Huttons<br>scholarship<br>fund<br>S\$ | Lions club<br>fund<br>S\$ | Home<br>within<br>home fund<br>S\$ |                |
| <b>INCOME</b>                            |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| <b>Voluntary income</b>                  |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| Donations                                | 0                        | 0                                 | 0                                   | 75,590                     | 7,552                                 | 33,845                    | 55,000                             | 171,987        |
| Grants from social welfare               | 248,468                  | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 248,468        |
|  | <u>248,468</u>           | <u>0</u>                          | <u>0</u>                            | <u>75,590</u>              | <u>7,552</u>                          | <u>33,845</u>             | <u>55,000</u>                      | <u>420,455</u> |
| <b>Income from charitable activities</b> |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| Childcare enrichment income              | 14,800                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 14,800         |
| Childcare income                         | 199,478                  | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 199,478        |
|  | <u>214,278</u>           | <u>0</u>                          | <u>0</u>                            | <u>0</u>                   | <u>0</u>                              | <u>0</u>                  | <u>0</u>                           | <u>214,278</u> |
| <b>Other income</b>                      |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| Miscellaneous income                     | 6,260                    | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 6,260          |
| <b>Total income</b>                      | <u>469,006</u>           | <u>0</u>                          | <u>0</u>                            | <u>75,590</u>              | <u>7,552</u>                          | <u>33,845</u>             | <u>55,000</u>                      | <u>640,993</u> |
| <b>LESS: EXPENDITURE</b>                 |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| <b>Cost of charitable activities</b>     |                          |                                   |                                     |                            |                                       |                           |                                    |                |
| Children / School expenses               | 18,280                   | 0                                 | 0                                   | 74,563                     | 14,876                                | 0                         | 0                                  | 107,719        |
| Home expenses                            | 21,644                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 21,644         |
| Staff costs                              | 439,041                  | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 0                                  | 439,041        |
|  | <u>478,965</u>           | <u>0</u>                          | <u>0</u>                            | <u>74,563</u>              | <u>14,876</u>                         | <u>0</u>                  | <u>0</u>                           | <u>568,404</u> |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

|  | Designated funds         |                                   |                                     |                            |                                       |                           | Total<br>S\$   |
|--|--------------------------|-----------------------------------|-------------------------------------|----------------------------|---------------------------------------|---------------------------|----------------|
|  | Childcare<br>fund<br>S\$ | CSL<br>scholarship<br>fund<br>S\$ | Donor<br>scholarship<br>fund<br>S\$ | Educational<br>fund<br>S\$ | Huttons<br>scholarship<br>fund<br>S\$ | Lions club<br>fund<br>S\$ |                |
| <b>2015 (Cont'd)</b>                             |                          |                                   |                                     |                            |                                       |                           |                |
| <b>LESS: EXPENDITURE (CONT'D)</b>                |                          |                                   |                                     |                            |                                       |                           |                |
| <b>Governance and other administrative costs</b> |                          |                                   |                                     |                            |                                       |                           |                |
| Administrative expenses                          | 12,053                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 12,053         |
| Alumni expenses                                  | 0                        | 24,077                            | 7,743                               | 0                          | 0                                     | 0                         | 31,820         |
| Depreciation of property, plant and equipment    | 28,976                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 28,976         |
| Goods and service tax                            | 18,497                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 18,497         |
| Miscellaneous expenses                           | 471                      | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 471            |
| Professional fees                                | 12,185                   | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 12,185         |
| Property, plant and equipment written off        | 5,081                    | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 5,081          |
|  | <u>77,263</u>            | <u>24,077</u>                     | <u>7,743</u>                        | <u>0</u>                   | <u>0</u>                              | <u>0</u>                  | <u>109,083</u> |
| <b>TOTAL EXPENDITURE</b>                         | <u>556,228</u>           | <u>24,077</u>                     | <u>7,743</u>                        | <u>74,563</u>              | <u>14,876</u>                         | <u>0</u>                  | <u>677,487</u> |
| Net income / (expenditure) for the year          | (87,222)                 | (24,077)                          | (7,743)                             | 1,027                      | (7,324)                               | 33,845                    | (36,494)       |
| Transfers between funds                          | 100,000                  | 0                                 | 0                                   | 0                          | 0                                     | 0                         | 100,000        |
| Total funds brought forward                      | <u>65,224</u>            | <u>210,978</u>                    | <u>14,594</u>                       | <u>65,500</u>              | <u>0</u>                              | <u>0</u>                  | <u>356,296</u> |
| <b>Total funds carried forward</b>               | <u>78,002</u>            | <u>186,901</u>                    | <u>6,851</u>                        | <u>66,527</u>              | <u>(7,324)</u>                        | <u>33,845</u>             | <u>419,802</u> |



**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2014                                     | Note | Unrestricted funds      |                    |                          |                            |                      |                  |                   | Restricted funds |                       |               |                  | Total funds S\$ |
|--|------|-------------------------|--------------------|--------------------------|----------------------------|----------------------|------------------|-------------------|------------------|-----------------------|---------------|------------------|-----------------|
|  |      | General fund (Home) S\$ | Childcare fund S\$ | CSL scholarship fund S\$ | Donor scholarship fund S\$ | Educational fund S\$ | Total S\$        | Building fund S\$ | Capital fund S\$ | Care & share fund S\$ | Total S\$     |                  |                 |
| <b>INCOME</b>                            |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |               |                  |                 |
| <b>Voluntary income</b>                  |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |               |                  |                 |
| Donations                                | 5    | 914,366                 | 0                  | 23,375                   | 0                          | 65,500               | 1,003,241        | 0                 | 0                | 0                     | 0             | 1,003,241        |                 |
| Grants from social welfare               | 6    | 1,780,330               | 274,566            | 0                        | 0                          | 0                    | 2,054,896        | 0                 | 0                | 83,300                | 83,300        | 2,138,196        |                 |
|  |      | <u>2,694,696</u>        | <u>274,566</u>     | <u>23,375</u>            | <u>0</u>                   | <u>65,500</u>        | <u>3,058,137</u> | <u>0</u>          | <u>0</u>         | <u>83,300</u>         | <u>83,300</u> | <u>3,141,437</u> |                 |
| <b>Income from charitable activities</b> |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |               |                  |                 |
| Childcare enrichment income              |      | 0                       | 35,983             | 0                        | 0                          | 0                    | 35,983           | 0                 | 0                | 0                     | 0             | 35,983           |                 |
| Childcare income                         |      | 0                       | 182,003            | 0                        | 0                          | 0                    | 182,003          | 0                 | 0                | 0                     | 0             | 182,003          |                 |
| Parents' contributions                   |      | 9,330                   | 0                  | 0                        | 0                          | 0                    | 9,330            | 0                 | 0                | 0                     | 0             | 9,330            |                 |
|  |      | <u>9,330</u>            | <u>217,986</u>     | <u>0</u>                 | <u>0</u>                   | <u>0</u>             | <u>227,316</u>   | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>0</u>      | <u>227,316</u>   |                 |
| <b>Investment income</b>                 |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |               |                  |                 |
| Fixed deposit interest income            |      | 8,364                   | 0                  | 0                        | 0                          | 0                    | 8,364            | 0                 | 0                | 0                     | 0             | 8,364            |                 |
|  |      | <u>2,970</u>            | <u>10,997</u>      | <u>0</u>                 | <u>0</u>                   | <u>0</u>             | <u>13,967</u>    | <u>0</u>          | <u>0</u>         | <u>0</u>              | <u>0</u>      | <u>13,967</u>    |                 |
| <b>Other income</b>                      |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |               |                  |                 |
| Miscellaneous income                     |      | 2,715,360               | 503,549            | 23,375                   | 0                          | 65,500               | 3,307,784        | 0                 | 0                | 83,300                | 83,300        | 3,391,084        |                 |
| <b>Total income</b>                      |      | <u>2,715,360</u>        | <u>503,549</u>     | <u>23,375</u>            | <u>0</u>                   | <u>65,500</u>        | <u>3,307,784</u> | <u>0</u>          | <u>0</u>         | <u>83,300</u>         | <u>83,300</u> | <u>3,391,084</u> |                 |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

| 2014 (Cont'd)                                    | Note | Unrestricted funds      |                    |                          |                            |                      | Restricted funds |                   |                  |                       | Total funds S\$ |           |
|--|------|-------------------------|--------------------|--------------------------|----------------------------|----------------------|------------------|-------------------|------------------|-----------------------|-----------------|-----------|
|  |      | General fund (Home) S\$ | Childcare fund S\$ | CSL scholarship fund S\$ | Donor scholarship fund S\$ | Educational fund S\$ | Total S\$        | Building fund S\$ | Capital fund S\$ | Care & share fund S\$ |                 | Total S\$ |
| <b>LESS: EXPENDITURE</b>                         |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |                 |           |
| <b>Cost of charitable activities</b>             |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |                 |           |
| Children / School expenses                       | 7    | 133,806                 | 90,431             | 0                        | 5,406                      | 0                    | 229,643          | 0                 | 0                | 0                     | 0               | 229,643   |
| Home expenses                                    | 8    | 66,602                  | 15,183             | 0                        | 0                          | 0                    | 81,785           | 0                 | 0                | 0                     | 0               | 81,785    |
| Staff costs                                      | 9    | 1,745,356               | 367,047            | 0                        | 0                          | 0                    | 2,112,403        | 0                 | 0                | 0                     | 0               | 2,112,403 |
|  |      | 1,945,764               | 472,661            | 0                        | 5,406                      | 0                    | 2,423,831        | 0                 | 0                | 0                     | 0               | 2,423,831 |
| <b>Governance and other administrative costs</b> |      |                         |                    |                          |                            |                      |                  |                   |                  |                       |                 |           |
| Administrative expenses                          | 10   | 108,897                 | 12,178             | 0                        | 0                          | 0                    | 121,075          | 0                 | 0                | 0                     | 0               | 121,075   |
| Alumni expenses                                  |      | 2,991                   | 0                  | 23,097                   | 0                          | 0                    | 26,088           | 0                 | 0                | 0                     | 0               | 26,088    |
| Depreciation of property, plant and equipment    | 16   | 135,947                 | 6,312              | 0                        | 0                          | 0                    | 142,259          | 94,268            | 0                | 0                     | 94,268          | 236,527   |
| Goods and service tax                            |      | 34,442                  | 2,167              | 0                        | 0                          | 0                    | 36,609           | 0                 | 0                | 0                     | 0               | 36,609    |
| Maintenance expenses                             | 11   | 81,319                  | 0                  | 0                        | 0                          | 0                    | 81,319           | 0                 | 0                | 0                     | 0               | 81,319    |
| Miscellaneous expenses                           |      | 6,487                   | 1,944              | 0                        | 0                          | 0                    | 8,431            | 0                 | 0                | 0                     | 0               | 8,431     |
| Professional fees                                | 12   | 29,813                  | 250                | 0                        | 0                          | 0                    | 30,063           | 0                 | 0                | 0                     | 0               | 30,063    |
|  |      | 399,896                 | 22,851             | 23,097                   | 0                          | 0                    | 445,844          | 94,268            | 0                | 0                     | 94,268          | 540,112   |
| <b>Total expenditure</b>                         |      | 2,345,660               | 495,512            | 23,097                   | 5,406                      | 0                    | 2,869,675        | 94,268            | 0                | 0                     | 94,268          | 2,963,943 |

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)**

|   | Unrestricted funds            |                          |                                   |                                     | Restricted funds           |                  |                         |                        | Total funds<br>S\$ |                                |                   |
|---|-------------------------------|--------------------------|-----------------------------------|-------------------------------------|----------------------------|------------------|-------------------------|------------------------|--------------------|--------------------------------|-------------------|
|   | General fund<br>(Home)<br>S\$ | Childcare<br>fund<br>S\$ | CSL<br>scholarship<br>fund<br>S\$ | Donor<br>scholarship<br>fund<br>S\$ | Educational<br>fund<br>S\$ | Total<br>S\$     | Building<br>fund<br>S\$ | Capital<br>fund<br>S\$ |                    | Care &<br>share<br>fund<br>S\$ |                   |
| <b>2014 (Cont'd)</b>                          |                               |                          |                                   |                                     |                            |                  |                         |                        |                    |                                |                   |
| Net income /<br>(expenditure)<br>for the year | 369,700                       | 8,037                    | 278                               | (5,406)                             | 65,500                     | 438,109          | (94,268)                | 0                      | 83,300             | (10,968)                       | 427,141           |
| Transfers between<br>funds                    | (200,000)                     | 0                        | 200,000                           | 0                                   | 0                          | 0                | 0                       | 0                      | 0                  | 0                              | 0                 |
| Total funds<br>brought forward                | 9,137,556                     | 57,187                   | 10,700                            | 20,000                              | 0                          | 9,225,443        | 6,478,537               | 100,000                | 0                  | 6,578,537                      | 15,803,980        |
| <b>Total funds<br/>carried forward</b>        | <b>9,307,256</b>              | <b>65,224</b>            | <b>210,978</b>                    | <b>14,594</b>                       | <b>65,500</b>              | <b>9,663,552</b> | <b>6,384,269</b>        | <b>100,000</b>         | <b>83,300</b>      | <b>6,567,569</b>               | <b>16,231,121</b> |

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

**BALANCE SHEET AS AT 31 DECEMBER 2015**

|                                | Note | 2015<br>S\$       | 2014<br>S\$       |
|--------------------------------|------|-------------------|-------------------|
| <b>ASSETS</b>                  |      |                   |                   |
| <b>Current assets</b>          |      |                   |                   |
| Cash and cash equivalents      | 13   | 6,650,793         | 7,254,885         |
| Other receivables              | 14   | 342,809           | 56,404            |
| Other current assets           | 15   | 17,480            | 0                 |
|                                |      | <u>7,011,082</u>  | <u>7,311,289</u>  |
| <b>Non-current assets</b>      |      |                   |                   |
| Property, plant and equipment  | 16   | 8,716,640         | 8,614,164         |
| Investment in financial assets | 17   | 1,040,250         | 527,000           |
|                                |      | <u>9,756,890</u>  | <u>9,141,164</u>  |
| <b>Total assets</b>            |      | <u>16,767,972</u> | <u>16,452,453</u> |
| <b>LIABILITY</b>               |      |                   |                   |
| <b>Current liability</b>       |      |                   |                   |
| Other payables                 | 18   | 279,055           | 221,332           |
| <b>Total liability</b>         |      | <u>279,055</u>    | <u>221,332</u>    |
| <b>NET ASSETS</b>              |      | <u>16,488,917</u> | <u>16,231,121</u> |
| <b>FUNDS</b>                   |      |                   |                   |
| <b>Unrestricted funds</b>      |      |                   |                   |
| General fund (Home)            | 19   | 9,400,973         | 9,307,256         |
| Designated funds               |      |                   |                   |
| - Childcare fund               | 20   | 78,002            | 65,224            |
| - CSL scholarship fund         | 20   | 186,901           | 210,978           |
| - Donor scholarship fund       | 20   | 6,851             | 14,594            |
| - Educational fund             | 20   | 66,527            | 65,500            |
| - Huttons scholarship fund     | 20   | (7,324)           | 0                 |
| - Lions club fund              | 20   | 33,845            | 0                 |
| - Home within home fund        | 20   | 55,000            | 0                 |
|                                |      | <u>9,820,775</u>  | <u>9,663,552</u>  |
| <b>Restricted funds</b>        |      |                   |                   |
| Building fund                  | 21   | 6,290,005         | 6,384,269         |
| Capital fund                   | 21   | 100,000           | 100,000           |
| Care & share fund              | 21   | 83,300            | 83,300            |
| Children disability fund       | 21   | 194,837           | 0                 |
|                                |      | <u>6,668,142</u>  | <u>6,567,569</u>  |
| <b>Total funds</b>             |      | <u>16,488,917</u> | <u>16,231,121</u> |

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

**STATEMENT OF CHANGES IN FUNDS  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

|                            | Balance at the<br>beginning of<br>financial year<br>S\$ | Net income/<br>(expenditure)<br>for the year<br>S\$ | Transfers<br>between funds<br>during the year<br>S\$ | Balance at the<br>end of<br>financial year<br>S\$ |
|----------------------------|---|---|--|---|
| <b>2015</b>                |   |   |  |   |
| <b>Unrestricted funds</b>  |   |   |  |   |
| General fund (Home)        | 9,307,256   | 193,717   | (100,000)  | 9,400,973   |
| Designated funds           |   |   |  |   |
| - Childcare fund           | 65,224  | (87,222)  | 100,000  | 78,002  |
| - CSL scholarship fund     | 210,978   | (24,077)  | 0  | 186,901   |
| - Donor scholarship fund   | 14,594  | (7,743)   | 0  | 6,851   |
| - Educational fund         | 65,500  | 1,027   | 0  | 66,527  |
| - Huttons scholarship fund | 0   | (7,324)   | 0  | (7,324)   |
| - Lions club fund          | 0   | 33,845  | 0  | 33,845  |
| - Home within home fund    | 0   | 55,000  | 0  | 55,000  |
|                            | <u>9,663,552</u>  | <u>157,223</u>                                      | <u>0</u>   | <u>9,820,775</u>                                  |
| <b>Restricted funds</b>    |   |   |  |   |
| Building fund              | 6,384,269   | (94,264)  | 0  | 6,290,005   |
| Capital fund               | 100,000   | 0   | 0  | 100,000   |
| Care & share fund          | 83,300  | 0   | 0  | 83,300  |
| Children disability fund   | 0   | 194,837   | 0  | 194,837   |
|                            | <u>6,567,569</u>  | <u>100,573</u>                                      | <u>0</u>   | <u>6,668,142</u>                                  |
| <b>Total funds</b>         | <u>16,231,121</u>                                       | <u>257,796</u>                                      | <u>0</u>   | <u>16,488,917</u>                                 |
|                            |   |   |  |   |
|                            | Balance at the<br>beginning of<br>financial year<br>S\$ | Net income/<br>(expenditure)<br>for the year<br>S\$ | Transfers<br>between funds<br>during the year<br>S\$ | Balance at the<br>end of<br>financial year<br>S\$ |
| <b>2014</b>                |   |   |  |   |
| <b>Unrestricted funds</b>  |   |   |  |   |
| General fund (Home)        | 9,137,556   | 369,700   | (200,000)  | 9,307,256   |
| Designated funds           |   |   |  |   |
| - Childcare fund           | 57,187  | 8,037   | 0  | 65,224  |
| - CSL scholarship fund     | 10,700  | 278   | 200,000  | 210,978   |
| - Donor scholarship fund   | 20,000  | (5,406)   | 0  | 14,594  |
| - Educational fund         | 0   | 65,500  | 0  | 65,500  |
|                            | <u>9,225,443</u>  | <u>438,109</u>                                      | <u>0</u>   | <u>9,663,552</u>                                  |
| <b>Restricted funds</b>    |   |   |  |   |
| Building fund              | 6,478,537   | (94,268)  | 0  | 6,384,269   |
| Capital fund               | 100,000   | 0   | 0  | 100,000   |
| Care & share fund          | 0   | 83,300  | 0  | 83,300  |
|                            | <u>6,578,537</u>  | <u>(10,968)</u>                                     | <u>0</u>   | <u>6,567,569</u>                                  |
| <b>Total funds</b>         | <u>15,803,980</u>                                       | <u>427,141</u>                                      | <u>0</u>   | <u>16,231,121</u>                                 |

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

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

|   | Note | 2015<br>S\$      | 2014<br>S\$      |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>               |      |                  |                  |
| Net income for the year                                   |      | 257,796          | 427,141          |
| Adjustments for:  |      |                  |                  |
| Depreciation of property, plant and equipment             | 16   | 285,521          | 236,527          |
| Interest income   |      | (39,231)         | (8,364)          |
| Property, plant and equipment written off                 |      | 15,499           | 0                |
| Operating cash flow before working capital changes        |      | <u>519,585</u>   | <u>655,304</u>   |
| Changes in working capital:                               |      |                  |                  |
| Other receivables   |      | (281,479)        | (23,824)         |
| Other current assets                                      |      | (17,480)         | 0                |
| Other payables  |      | 57,723           | (147,388)        |
| <b>Net cash provided by operating activities</b>          |      | <u>278,349</u>   | <u>484,092</u>   |
| <b>Cash flows from investing activities</b>               |      |                  |                  |
| Purchases of property, plant and equipment                | 16   | (403,496)        | (319,641)        |
| Interest received   |      | 34,305           | 8,364            |
| Purchases of investment in financial assets               | 17   | (513,250)        | (527,000)        |
| <b>Net cash used in investing activities</b>              |      | <u>(882,441)</u> | <u>(838,277)</u> |
| <b>Net decrease in cash and cash equivalents</b>          |      | (604,092)        | (354,185)        |
| Cash and cash equivalents at beginning of financial year  |      | <u>7,254,885</u> | <u>7,609,070</u> |
| <b>Cash and cash equivalents at end of financial year</b> |      | <u>6,650,793</u> | <u>7,254,885</u> |
| <b>Cash and cash equivalents comprise:</b>                |      |                  |                  |
| Cash and bank balances                                    |      | 4,683,128        | 4,888,119        |
| Fixed deposits  |      | 1,967,665        | 2,366,766        |
|   | 13   | <u>6,650,793</u> | <u>7,254,885</u> |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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

**1. General information**

Chen Su Lan Methodist Children's Home (the "Home") was registered under the Societies Act (Chapter 311) on 12 March 1968. The Home is a charity registered under the Charities Act on 28 June 1984. The Home's registered address and principal place of operating activity is located at 202 Serangoon Garden Way, Chen Su Lan Methodist Children's Home, Singapore 556057.

The Home has been accorded an Institution of a Public Character ("IPC") status for the period from 1 July 2012 to 30 June 2016.

The principal objectives of the Home are:

- To develop the spiritual, educational, social, physical and emotional well-being of the children;
- To provide an inclusive Home environment to enhance the integration of children with special needs and mainstream children;
- To assist parents in problem solving and coping with their difficulties; and
- To strengthen family relationships and enhance the quality of family life.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act (Chapter 311) and 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 Home's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Home's accounting policies. It also requires the use of certain critical accounting 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 income and expenditure during the financial year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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. Significant accounting policies (Cont'd)**

### **2.2 Income recognition**

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Home's activities. Income is recognised as follows:

#### **2.2.1 Government grants**

Government grants are recognised when they have been approved and are accounted for in the income and expenditure statements on accrual basis.

#### **2.2.2 Donations**

Donation income is recognised as income upon receipt of such monies.

#### **2.2.3 Rendering of childcare services**

Childcare income is recognised on accrual basis.

#### **2.2.4 Interest income**

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

#### **2.2.5 Other income**

Other income is recognised when incurred.

### **2.3 Expenditure recognition**

All expenditures are 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 charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Home. The total costs of charitable activities are apportionment of overhead and shared costs.

**2.3.2** Governance and other administrative costs include the costs of governance arrangement, which relate to the general running of the Home, 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.



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

### **2.4 Property, plant and equipment**

#### 2.12.2 Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

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.

#### 2.4.2 Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

|                              | Useful lives |
|------------------------------|--------------|
| Leasehold land and buildings | 99 years     |
| Furniture and fittings       | 3 – 5 years  |
| Office equipment             | 3 – 5 years  |
| Motor vehicle                | 5 years      |

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

#### 2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have 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 Home and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in statement of financial activities during the financial year in which it is incurred.

#### 2.4.4 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.

### **2.5 Financial assets**

#### 2.5.1 Recognition and measurement

Trade and other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

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

**2.6 Cash and cash equivalents**

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

**2.7 Financial liabilities**

Financial liabilities are recognised when the Home 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 are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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.

**2.8 Other payables**

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

**2.9 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Home 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.

**2.10 Leases**

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognised as an expense in the income statement in the financial year in which they are incurred.

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

### **2.11 Employee compensation**

#### **2.12.1 Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Home pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Home has no further payment obligations once the contributions have been paid. The Home's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

#### **2.12.2 Employee leave entitlement**

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

### **2.12 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions.

### **2.13 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 Home if that person:
  - (i) Has control or joint control over the Home;
  - (ii) Has significant influence over the Home; or
  - (iii) Is a member of the key management personnel of the Home or of a parent of the Home;
- (b) An entity is related to the Home if any of the following conditions applies:
  - (i) The entity and the Home 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 Home or an entity related to the Home. If the Home is itself such a plan, the sponsoring employers are also related to the Home;
  - (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)

**3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical accounting estimates and assumptions**

The Home makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**3.1.1 Estimated useful lives of property, plant and equipment**

The Home reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

**4. Income tax**

The Home is a charity registered under the Charities Act since 28 June 1984. Consequently, the income of the Home is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

**5. Donations**

|                              | 2015<br>S\$      | 2014<br>S\$      |
|------------------------------|------------------|------------------|
| Tax deductible donations     | 1,105,792        | 826,329          |
| Non-tax deductible donations | 254,068          | 176,912          |
|                              | <u>1,359,860</u> | <u>1,003,241</u> |

**6. Grants from social welfare**

|   | 2015<br>S\$      | 2014<br>S\$      |
|---|------------------|------------------|
| Ministry of Social and Family Development (MSF) | 1,352,201        | 1,112,798        |
| National Council of Social Service (NCSS)       | 288,732          | 223,300          |
| Others  | 411,215          | 802,098          |
|   | <u>2,052,148</u> | <u>2,138,196</u> |

**7. Children / School expenses**

|                                | 2015<br>S\$ | 2014<br>S\$ |
|--------------------------------|-------------|-------------|
| Childcare expenses             | 6,280       | 7,661       |
| Childcare enrichment expenses  | 12,000      | 31,464      |
| Children expenses              | 61,853      | 25,729      |
| Enrichment classes             | 28,135      | 44,163      |
| School pocket money expenses   | 47,577      | 51,307      |
| School expenses                | 44,342      | 30,854      |
| Spiritual development expenses | 1,282       | 1,302       |
| Tuition expenses               | 68,423      | 31,910      |
| Youth centre expenses          | 6,657       | 5,253       |
|                                | 276,549     | 229,643     |

**8. Home expenses**

|                         | 2015<br>S\$ | 2014<br>S\$ |
|-------------------------|-------------|-------------|
| Food expenses           | 59,032      | 47,543      |
| Food (in kind) expenses | 21,498      | 0           |
| Household expenses      | 31,978      | 31,738      |
| Travelling expenses     | 8,092       | 2,504       |
|                         | 120,600     | 81,785      |

**9. Staff costs**

|                           | 2015<br>S\$ | 2014<br>S\$ |
|---------------------------|-------------|-------------|
| CPF and SDF contributions | 258,802     | 212,728     |
| Foreign workers levy      | 79,692      | 64,785      |
| Insurance                 | 21,353      | 24,852      |
| Medical expenses          | 4,682       | 7,102       |
| Salaries, wages and bonus | 1,930,032   | 1,780,427   |
| Staff recruitment         | 2,387       | 1,783       |
| Staff training            | 28,250      | 9,666       |
| Staff welfare             | 18,673      | 10,603      |
| Staff travel              | 6,810       | 457         |
|                           | 2,350,681   | 2,112,403   |

The remuneration band of the 3 highest paid staff is as follows:

|                          | 2015<br>S\$ | 2014<br>S\$ |
|--------------------------|-------------|-------------|
| S\$100,001 to S\$200,000 | 0           | 1           |
| S\$50,001 and above      | 3           | 2           |
|                          | 3           | 2           |

**10. Administrative expenses**

|                           | 2015           | 2014           |
|---------------------------|----------------|----------------|
|                           | S\$            | S\$            |
| Association subscription  | 6,332          | 2,578          |
| Bank charges              | 412            | 69             |
| IT expenses               | 8,527          | 7,258          |
| Postages                  | 822            | 483            |
| Printing and stationeries | 15,087         | 11,722         |
| Rental of equipment       | 2,912          | 2,002          |
| Signage                   | 720            | 0              |
| Telephone                 | 4,504          | 3,409          |
| Water and electricity     | 89,738         | 93,554         |
|                           | <u>129,054</u> | <u>121,075</u> |

**11. Maintenance expenses**

|                         | 2015          | 2014          |
|-------------------------|---------------|---------------|
|                         | S\$           | S\$           |
| Repairs and maintenance | 50,254        | 61,151        |
| Security expenses       | 1,440         | 5,100         |
| Vehicle upkeep          | 20,772        | 15,068        |
|                         | <u>72,466</u> | <u>81,319</u> |

**12. Professional fees**

|                     | 2015          | 2014          |
|---------------------|---------------|---------------|
|                     | S\$           | S\$           |
| Audit fees          | 6,900         | 7,593         |
| Internal audit fees | 17,059        | 2,700         |
| Professional fees   | 50,004        | 19,770        |
|                     | <u>73,963</u> | <u>30,063</u> |

**13. Cash and cash equivalents**

|                        | 2015             | 2014             |
|------------------------|------------------|------------------|
|                        | S\$              | S\$              |
| Cash and bank balances | 4,683,128        | 4,888,119        |
| Fixed deposits         | 1,967,665        | 2,366,766        |
|                        | <u>6,650,793</u> | <u>7,254,885</u> |

Fixed deposits have maturity term of 6 to 18 months (2014: 6 to 18 months) and interest rate of 0.15% to 1.06% (2013: 0.15% to 0.50%) per annum

Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

**14. Other receivables**

|                     | 2015<br>S\$ | 2014<br>S\$ |
|---------------------|-------------|-------------|
| Pledges receivables | 108,940     | 47,744      |
| Deposits            | 8,520       | 8,660       |
| Grant receivables   | 210,000     | 0           |
| Other receivables   | 8,143       | 0           |
| Prepayment          | 2,280       | 0           |
| Interest receivable | 4,926       | 0           |
|                     | 342,809     | 56,404      |

**15. Other current assets**

|                  | 2015<br>S\$ | 2014<br>S\$ |
|------------------|-------------|-------------|
| Consumable goods | 17,480      | 0           |

**16. Property, plant and equipment**

|                                 | Balance at<br>beginning of<br>year<br>S\$ | Additions<br>S\$              | (Disposal/<br>Written<br>off)<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|---------------------------------|---|-------------------------------|--------------------------------------|-------------------------------------|
| <b>2015</b>                     |   |                               |                                      |                                     |
| <b>Cost</b>                     |   |                               |                                      |                                     |
| Leasehold land and building     | 9,980,189                                 | 0                             | 0                                    | 9,980,189                           |
| Furniture and fittings          | 544,183                                   | 272,100                       | (39,150)                             | 777,133                             |
| Office equipment                | 309,509                                   | 131,396                       | (58,810)                             | 382,095                             |
| Motor vehicle                   | 94,078                                    | 0                             | 0                                    | 94,078                              |
|                                 | 10,927,959                                | 403,496                       | (97,960)                             | 11,233,495                          |
|                                 |   |                               |                                      |                                     |
|                                 | Balance at<br>beginning of<br>year<br>S\$ | Depreciation<br>charge<br>S\$ | (Written<br>back / off)<br>S\$       | Balance at<br>end of<br>year<br>S\$ |
| <b>Accumulated depreciation</b> |   |                               |                                      |                                     |
| Leasehold land and building     | 1,804,523                                 | 120,226                       | 0                                    | 1,924,749                           |
| Furniture and fittings          | 244,552                                   | 100,477                       | (27,646)                             | 317,383                             |
| Office equipment                | 191,594                                   | 54,342                        | (54,815)                             | 191,121                             |
| Motor vehicle                   | 73,126                                    | 10,476                        | 0                                    | 83,602                              |
|                                 | 2,313,795                                 | 285,521                       | (82,461)                             | 2,516,855                           |

**16. Property, plant and equipment (Cont'd)**

|                             | Balance at<br>beginning of<br>year<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|-----------------------------|---|-------------------------------------|
| <b>2015 (Cont'd)</b>        |   |                                     |
| <b>Net book value</b>       |   |                                     |
| Leasehold land and building | 8,175,666                                 | 8,055,440                           |
| Furniture and fittings      | 299,631                                   | 459,750                             |
| Office equipment            | 117,915                                   | 190,974                             |
| Motor vehicle               | 20,952                                    | 10,476                              |
|                             | 8,614,164                                 | 8,716,640                           |

|                             | Balance at<br>beginning of<br>year<br>S\$ | Additions<br>S\$ | (Disposal/<br>Written<br>off)<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|-----------------------------|---|------------------|--------------------------------------|-------------------------------------|
| <b>2014</b>                 |   |                  |                                      |                                     |
| <b>Cost</b>                 |   |                  |                                      |                                     |
| Leasehold land and building | 9,980,189                                 | 0                | 0                                    | 9,980,189                           |
| Furniture and fittings      | 314,823                                   | 229,360          | 0                                    | 544,183                             |
| Office equipment            | 219,228                                   | 90,281           | 0                                    | 309,509                             |
| Motor vehicle               | 94,078                                    | 0                | 0                                    | 94,078                              |
|                             | 10,608,318                                | 319,641          | 0                                    | 10,927,959                          |

|                                 | Balance at<br>beginning of<br>year<br>S\$ | Depreciation<br>charge<br>S\$ | (Written<br>back / off)<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|---------------------------------|---|-------------------------------|--------------------------------|-------------------------------------|
| <b>Accumulated depreciation</b> |   |                               |                                |                                     |
| Leasehold land and building     | 1,684,293                                 | 120,230                       | 0                              | 1,804,523                           |
| Furniture and fittings          | 184,518                                   | 60,034                        | 0                              | 244,552                             |
| Office equipment                | 145,808                                   | 45,786                        | 0                              | 191,594                             |
| Motor vehicle                   | 62,649                                    | 10,477                        | 0                              | 73,126                              |
|                                 | 2,077,268                                 | 236,527                       | 0                              | 2,313,795                           |

|                             | Balance at<br>beginning of<br>year<br>S\$ | Balance at<br>end of<br>year<br>S\$ |
|-----------------------------|---|-------------------------------------|
| <b>Net book value</b>       |   |                                     |
| Leasehold land and building | 8,295,896                                 | 8,175,666                           |
| Furniture and fittings      | 130,305                                   | 299,631                             |
| Office equipment            | 73,420                                    | 117,915                             |
| Motor vehicle               | 31,429                                    | 20,952                              |
|                             | 8,531,050                                 | 8,614,164                           |

The leasehold land with a net book value of S\$8,055,440 (2014: S\$8,175,666) is registered in the name of a Management Committee who hold in trust for the Home.



**17. Investment in financial assets**

|  | 2015<br>S\$ | 2014<br>S\$ |
|--|-------------|-------------|
| <b>Corporate bonds in Singapore</b>    |             |             |
| Balance at beginning of financial year | 527,000     | 0           |
| Additions                              | 513,250     | 527,000     |
| Balance at end of the year             | 1,040,250   | 527,000     |

The corporate bonds have interest rates ranging from 3.08% to 6.00% (2014: 4.20% to 6.00%) per annum and will mature ranging from 8 October 2018 to 12 September 2020 (2014: 8 October 2018 to 29 August 2019).

**18. Other payables**

|                  | 2015<br>S\$ | 2014<br>S\$ |
|------------------|-------------|-------------|
| Accruals         | 227,540     | 153,068     |
| Deposit received | 23,450      | 19,940      |
| Other payables   | 28,065      | 48,324      |
|                  | 279,055     | 221,332     |

At the date of the reporting date, the carrying amounts of other payables approximated their fair values.

**19. General fund (Home)**

The General fund is for the purpose of meeting operating expenses incurred by the Home.

**20. Designated funds**

This fund is composed of the following:

**20.1 Childcare fund**

This fund is used to pay various expenses, which are related to services offered by the childcare division.

**20.2 CSL scholarship fund**

This fund is used for the purpose of the ex-residents to pursue tertiary educations.

**20.3 Donor scholarship fund**

The donor has directed this fund to be used for the ex-residents to pursue tertiary education.

**20. Designated Funds (Cont'd)**

**20.4 Educational fund**

This fund is used for the tuition and meeting educational needs for residents in the year 2015.

**20.5 Huttons scholarship fund**

This fund is a donor designated fund. Hutton's Asia Pte Ltd have generously agreed to sponsor selected residents for tertiary education.

**20.6 Lions club fund**

This is a donor designated fund. The donors from Lions Club have specified the use of their funds to be used for the children's personal needs.

**20.7 Home within home fund**

This fund used for process upgrading and renovating all the 8 dormitories for the residents.

**21. Restricted Funds**

**21.1 Building fund**

This fund was established for the purpose of the expansion of the Home.

**21.2 Capital fund**

This fund pertains to the initial fund started for the Home.

**21.3 Care & share fund**

This fund is used for programmes or activities submitted to Care & Share for capability and capacity building, or to fund new programmes to meet emerging or unmet needs as well as enhancements to existing services. The fund may also be used to cover the cost of meeting critical needs up to 20% of the Grant.

**21.4 Children disability fund**

The Home is eligible for funding from Agency for Integrated Care, as we are providing Integrated Long Term Care to children with disabilities. The Home is able to use the funding for any improvement and enhancement to the structure to improve the lives of the children and provide better facilities.

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**22. Related party transactions**

The Home is governed by the Management Committee, which is the final authority and has overall responsibility for policy making and determination of all activities.

During the financial year, none of the management committee members received any remuneration from the Home.

The remuneration of key management personnel during the financial year was as follows:

|  | 2015<br>S\$   | 2014<br>S\$    |
|--|---------------|----------------|
| Short-term employee benefits – Salaries and bonuses                    | 79,644        | 181,961        |
| Post-employment benefits – contribution to CPF                         | <u>10,860</u> | <u>10,690</u>  |
|  | <u>90,504</u> | <u>192,651</u> |
| No. of key management personnel of the Homes<br>in remuneration bands: |               |                |
| S\$100,000 and above   | 0             | 1              |
| S\$10,000 and S\$100,000   | <u>1</u>      | <u>0</u>       |

**23. Fund management policy**

The primary objective of the Home is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

**24. Reserve position and policy**

The Home's reserve position for financial year ended 31 December 2015 is as follows:

|   |  | 2015    | 2014    | Increase/<br>(Decrease) |
|---|--|---------|---------|-------------------------|
|   |  | S\$'000 | S\$'000 | %                       |
| A | Unrestricted funds                                   |         |         |                         |
|   | General fund   | 9,401   | 9,307   | 1.01                    |
|   | Designated funds                                     |         |         |                         |
|   | - Childcare fund                                     | 78      | 65      | 20.00                   |
|   | - CSL scholarship fund                               | 187     | 211     | (11.37)                 |
|   | - Donor scholarship fund                             | 6       | 15      | (60.00)                 |
|   | - Educational fund                                   | 67      | 66      | 1.52                    |
|   | - Huttons scholarship fund                           | (7)     | 0       | 0.00                    |
|   | - Lions club fund                                    | 34      | 0       | 0.00                    |
|   | - Home within home fund                              | 55      | 0       | 0.00                    |
| B | Restricted funds                                     |         |         |                         |
|   | Building fund  | 6,290   | 6,384   | (1.47)                  |
|   | Capital fund   | 100     | 100     | 0.00                    |
|   | Care & share fund                                    | 83      | 83      | 0.00                    |
|   | Children disability fund                             | 195     | 0       | 0.00                    |
| C | Endowment funds                                      | N/A     | N/A     | N/A                     |
| D | Total funds  | 16,489  | 16,231  | 1.59                    |
| E | Total annual operating expenditure                   | 3,442   | 2,964   | 16.13                   |
| F | Ratio of funds to annual operating expenditure (A/E) | 2.85    | 3.26    |                         |

Reference:

- C. An endowment fund consists of assets, funds or properties, which 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 Charitable Activities and Governance and Other Operating and Administration expenses.

The Home's reserve policy is as follows:

The primary objective in the management of the Home's reserves is to ensure that it maintains a strong and healthy level of reserves and working capital ratio in order to support its operations and future growth.

The Home targets to maintain an optimal level of Accumulated General Fund, which is equivalent to three years of its budgeted expenditures relating to its operations. The Home regularly reviews and manages its reserves to ensure that it has optimal working capital, taking into consideration the future funding requirements of the Home and projected operating cash flows and projected capital expenditures.

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

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**25. Conflict of interest policy**

The Home has in place a conflict of interest policy in its code of conduct. All members of the Management Committee and senior management are required to declare their interest yearly.

Whenever a member of the Management committee is in any way, directly or indirectly, has an interest in a transaction or project or other matter to be discussed at a meeting, the member shall disclose the nature of his interests before the discussion on the matters begins.

The member concerned should not participate in the discussion or vote on the matter, and should also offer to withdraw from the meeting and the Board shall decide if this should be accepted.

**26. Comparative figures**

Certain line items have been reclassified on the face of the statement of financial activities as agreed by the Management Committee:

| <b>2014</b>                            | As previously<br>reported<br>S\$ | Reclassification<br>S\$ | As restated<br>S\$ |
|--|----------------------------------|-------------------------|--------------------|
| <b>Statement of financial position</b> |                                  |                         |                    |
| <b>Unrestricted funds</b>              |                                  |                         |                    |
| Designated funds                       |                                  |                         |                    |
| - Care & share fund                    | 83,300                           | (83,300)                | 0                  |
| <b>Restricted funds</b>                |                                  |                         |                    |
| Care & share fund                      | 0                                | 83,300                  | 83,300             |
|  | <u>83,300</u>                    | <u>0</u>                | <u>0</u>           |

**27. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on - **3 MAY 2016**