

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

[UEN: S68SS0016K]

[Charity Reg. No. 000063]

[Registered under the Registry of Societies]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017**

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Fiducia LLP

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Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

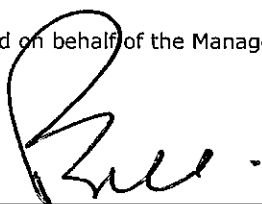
The Management Committee presents their statement to the members together with the audited financial statements of Chen Su Lan Methodist Childrens' Home (the "Home") for the financial year ended 31 December 2017.

In the opinion of the Management Committee,

- a) the financial statements as set out on pages 6 to 42 are drawn up so as to present fairly, in all material aspects, the balance sheet of the Home as at 31 December 2017 and the financial activities, changes in funds and cash flows of the Home for the financial year then ended; and
- b) 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 authorised the issuance of these financial statements on 25 April 2018.

For and on behalf of the Management Committee,



Lee Ping Shih
Chairman



Eddie Ong Chin Hin
Honorary Treasurer

Singapore, 25 April 2018

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Independent auditor's report to the members of:

CHEN SU LAN METHODIST CHILDREN'S HOME
[UEN: S68SS0016K]
[Charity Reg. No. 000063]

[Registered under the Societies Act (Chapter 311) in the
Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chen Su Lan Methodist Children's Home (the "Home"), which comprise the balance sheet as at 31 December 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Home for the financial year then 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 Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard ("CAS") so as to present fairly, in all material respects, the state of affairs of the Home as at 31 December 2017 and the results, changes in funds and cash flows of the Home 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 Home in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee set out on page 2.

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.

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(Cont'd)

Independent auditor's report to the members of:

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and CAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Home'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 Home or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Home'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 Home's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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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 Home'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 Home 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 Home have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 25 April 2018

Partner-in-charge: Soo Hon Weng
PAB No. : 01089

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2017	Note	Unrestricted funds			Restricted funds		Total funds S\$
		General fund (Home) S\$	Childcare fund S\$	Designated funds S\$	Total S\$	Program funds S\$	
INCOME							
Voluntary income						300	1,522,937
Donations	4	1,454,007	1,532	67,098	1,522,637	0	3,863,468
Grants from social welfare	5	1,118,852	274,915	0	1,393,767	1,282,856	5,386,405
		2,572,859	276,447	67,098	2,916,404	1,282,856	2,470,001
Income from charitable activities							
Childcare enrichment						0	34,606
Income		0	34,606	0	34,606	0	243,916
Childcare income		0	243,916	0	243,916	0	1,890
Parents' contributions		810	0	0	810	1,080	280,412
		810	278,522	0	279,332	1,080	71,324
Investment income		71,324	0	0	71,324	0	0
Interest income							
Other income							
Gain on disposal of fixed assets		3,500	0	0	3,500	0	3,500
Miscellaneous income		4,408	12,815	0	17,223	2,210	19,433
		7,908	12,815	0	20,723	2,210	22,933
Total income		2,652,901	567,784	67,098	3,287,783	1,282,856	5,761,074
LESS: EXPENDITURE							
Cost of charitable activities							
Program expenses	6	150,605	29,354	92,000	271,959	0	337,141
Home expenses	7	184,344	29,317	0	213,661	0	272,702
Staff costs	8	1,846,422	371,140	5,850	2,223,412	1,190,662	3,414,074
		2,181,371	429,811	97,850	2,709,032	1,314,885	4,023,917

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

	Note	DINV-GL S\$	Designated funds							Total Designated funds S\$
			CSL scholarship fund S\$	CSL trust fund S\$	Donor scholarship fund S\$	Huttons scholarship fund S\$	Lions club fund S\$	Educational fund S\$	Home within home fund S\$	
2017 (Cont'd)										
INCOME										
Voluntary income										
Donations	4	17,383	8,520	30,500	0	10,695	0	0	0	67,098
Grants from social welfare	5	0	0	0	0	0	0	0	0	0
		17,383	8,520	30,500	0	10,695	0	0	0	67,098
Income from charitable activities										
Childcare enrichment income		0	0	0	0	0	0	0	0	0
Childcare income		0	0	0	0	0	0	0	0	0
Parents' contributions		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
Investment income										
Interest income		0	0	0	0	0	0	0	0	0
Other income										
Gain on disposal of fixed assets		0	0	0	0	0	0	0	0	0
Miscellaneous income		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
Total income		17,383	8,520	30,500	0	10,695	0	0	0	67,098
LESS: EXPENDITURE										
Cost of charitable activities										
Program expenses	6	18,804	50,878	0	16,156	6,162	0	0	0	92,000
Home expenses	7	0	0	0	0	0	0	0	0	0
Staff costs	8	0	0	5,850	0	0	0	0	0	5,850
		18,804	50,878	5,850	16,156	6,162	0	0	0	97,850

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

2017 (Cont'd)	Note	DNV-GL S\$	Designated funds							Total Designated funds S\$	
			CSL scholarship fund S\$	CSL trust fund S\$	Donor scholarship fund S\$	Huttons scholarship fund S\$	Lions club fund S\$	Educational fund S\$	Home within home fund S\$		
LESS: EXPENDITURE (CONT'D)											
Governance and other administrative costs											
Administrative expenses	9	0	0	0	0	0	0	0	0	0	0
Depreciation	13	0	0	2,524	0	0	0	0	0	0	2,524
Goods and service tax		0	0	0	0	0	0	0	0	0	0
Professional fees	10	0	0	0	0	0	0	0	0	0	0
Property, plant and equipment written off		0	0	0	0	0	0	0	0	0	0
		0	0	2,524	0	0	0	0	0	0	2,524
Total expenditure		18,804	50,878	8,374	0	16,156	6,162	0	0	0	100,374
Net income / (expenditure) for the financial year		(1,421)	(42,358)	22,126	0	(5,461)	(6,162)	0	0	0	(33,276)
Transfers between funds		0	55,143	0	0	0	0	(55,143)	0	0	0
Total funds brought forward		1,421	175,557	94,280	0	(3,808)	23,740	55,143	197,041	197,041	543,374
Total funds carried forward		0	188,342	116,406	0	(9,269)	17,578	0	197,041	197,041	510,098

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

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

2017 (Cont'd)	Note	Restricted funds – program funds				Total program fund
		Children disability fund	PSGC fund	SSF-R fund	CST fund	
		S\$	S\$	S\$	S\$	S\$
INCOME						
Voluntary income						
Donations	4	0	300	0	0	300
Grants from social welfare	5	208,949	490,919	406,977	80,000	1,186,845
		208,949	491,219	406,977	80,000	1,187,145
Income from charitable activities						
Childcare enrichment income		0	0	0	0	0
Childcare income		0	0	0	0	0
Parents' contributions		0	1,080	0	0	1,080
		0	1,080	0	0	1,080
Investment income						
Interest income		0	0	0	0	0
Other income						
Gain on disposal of fixed assets		0	0	0	0	0
Miscellaneous income		0	0	2,210	0	2,210
		0	0	2,210	0	2,210
Total income		208,949	492,299	409,187	80,000	1,190,435
LESS: EXPENDITURE						
Cost of charitable activities						
Program expenses	6	0	14,775	14,671	35,736	65,182
Home expenses	7	0	15,299	0	43,742	59,041
Staff costs	8	363,111	421,196	336,355	70,000	1,190,662
		363,111	451,270	351,026	149,478	1,314,885

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

2017 (Cont'd)	Note	Restricted funds - program funds				Total program funds
		Children disability fund	PSGC fund	SSF-R fund	CST fund	
	S\$	S\$	S\$	S\$	S\$	
LESS: EXPENDITURE (CONT'D)						
Governance and other administrative costs		0	2,020	3,025	5,571	
Administrative expenses	9	34,201	1,853	766	0	
Depreciation	13	0	0	0	0	
Goods and service tax		0	0	0	2,665	
Professional fees	10	3,434	430	0	3,864	
Property, plant and equipment written off		37,635	4,303	3,791	8,236	
		400,746	455,573	354,817	157,714	
Total expenditure		(191,797)	36,726	54,370	(77,714)	
LESS: EXPENDITURE						
Net Income / (expenditure) for the financial year		200,000	0	0	0	
Transfers between funds		157,158	0	0	120,387	
Total funds brought forward		165,361	36,726	54,370	42,673	
Total funds carried forward					299,130	

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

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

		Restricted funds - Capital funds							Total capital funds
2017	Note	Care and share fund S\$	Building fund S\$	Capital fund S\$	CST fund S\$	PSGC fund S\$	SSF-R fund S\$	S\$	
INCOME									
Voluntary income									
	4	0	0	0	0	0	0	0	
	5	899,787	0	0	120,000	240,000	23,069	1,282,856	
		899,787	0	0	120,000	240,000	23,069	1,282,856	
Income from charitable activities									
		0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	
Other income									
		0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	
		0	0	0	0	0	0	0	
		899,787	0	0	120,000	240,000	23,069	1,282,856	
LESS: EXPENDITURE									
Cost of charitable activities									
	6	0	0	0	0	0	0	0	
	7	0	0	0	0	0	0	0	
	8	0	0	0	0	0	0	0	
		0	-0	0	0	0	0	0	

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

		Restricted funds - Capital funds						Total capital funds
		Care and share fund	Building fund	Capital fund	CST fund	PSGC fund	SSF-R fund	S\$
		S\$	S\$	S\$	S\$	S\$	S\$	S\$
2017 (Cont'd)								
LESS: EXPENDITURE (CONT'D)								
Government and other administrative costs	9	0	0	0	0	0	0	0
Administrative expenses	13	7,230	94,264	0	682	2,386	4,699	109,261
Depreciation		0	0	0	0	0	0	0
Goods and service tax		0	0	0	0	0	0	0
Professional fees	10	7,230	94,264	0	682	2,386	4,699	109,261
		<u>7,230</u>	<u>94,264</u>	<u>0</u>	<u>682</u>	<u>2,386</u>	<u>4,699</u>	<u>109,261</u>
TOTAL EXPENDITURE		7,230	94,264	0	682	2,386	4,699	109,261
Net income / (expenditure) for the financial year		892,557	(94,264)	0	119,318	237,614	18,370	1,173,595
Transfers between funds		0	0	0	0	0	0	0
Total funds brought forward		675,000	6,195,740	100,000	420,000	0	0	7,390,740
Total funds carried forward		1,567,557	6,101,476	100,000	539,318	237,614	18,370	8,564,335

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

2016	Note	Unrestricted funds			Restricted funds		Total funds S\$
		General fund (Home) S\$	Childcare fund S\$	Designated funds S\$	Program funds S\$	Capital Fund S\$	
INCOME							
Voluntary income							
Donations	4	1,137,594	0	331,437	1,469,031	0	1,469,031
Grants from social welfare	5	1,207,848	258,647	0	1,466,495	619,841	3,098,036
		2,345,442	258,647	331,437	2,935,526	619,841	4,567,067
Income from charitable activities							
Childcare enrichment income		0	19,717	0	19,717	0	19,717
Childcare income		0	254,477	0	254,477	0	254,477
Parents' contributions		3,790	0	0	3,790	0	3,790
		3,790	274,194	0	277,984	0	277,984
Investment income		54,417	0	0	54,417	0	54,417
Interest income							
Other income		5,100	6,055	0	11,155	0	11,155
Miscellaneous Income							
Total income		2,408,749	538,896	331,437	3,279,082	619,841	4,910,623
LESS: EXPENDITURE							
Cost of charitable activities							
Program expenses	6	158,121	19,917	114,020	292,058	29,953	322,011
Home expenses	7	182,510	29,563	0	212,073	44,819	256,892
Staff costs	8	1,827,440	402,638	0	2,230,078	398,941	2,629,019
		2,168,071	452,118	114,020	2,734,209	473,713	3,207,922

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

2016 (Cont'd)	Note	Unrestricted funds			Restricted funds		Total funds S\$
		General fund (Home) S\$	Childcare fund S\$	Designated funds S\$	Program funds S\$	Capital Fund S\$	
LESS: EXPENDITURE (CONT'D)							
Governance and other administrative costs							
Administration expenses	9	44,200	3,917	0	9,702	0	57,819
Depreciation	13	126,734	54,733	0	48,512	94,265	324,244
Goods and service tax		18,809	1,118	0	4,129	0	24,056
Professional fees	10	7,300	600	15,843	1,000	0	24,743
Property, plant and equipment written off		348	0	0	77	0	425
		<u>197,391</u>	<u>60,368</u>	<u>15,843</u>	<u>63,420</u>	<u>94,265</u>	<u>431,287</u>
Total expenditure		2,365,462	512,486	129,863	537,133	94,265	3,639,209
Net income / (expenditure) for the financial year		43,287	26,410	201,574	82,708	917,435	1,271,414
Transfers between funds		0	0	0	0	0	0
Total funds brought forward		9,400,973	78,002	341,800	194,837	6,473,305	16,488,917
Total funds carried forward		9,444,260	104,412	543,374	277,545	7,390,740	17,760,331

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

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

	Note	DNV-GL S\$	Designated funds							Total Designated funds S\$
			CSL scholarship fund S\$	CSL trust fund S\$	Donor scholarship fund S\$	Huttons scholarship fund S\$	Lions club fund S\$	Educational fund S\$	Home within home fund S\$	
INCOME										
Voluntary income										
Donations	4	34,550	0	94,280	0	25,733	0	18,990	157,884	331,437
Grants from social welfare	5	0	0	0	0	0	0	0	0	0
		<u>34,550</u>	<u>0</u>	<u>94,280</u>	<u>0</u>	<u>25,733</u>	<u>0</u>	<u>18,990</u>	<u>157,884</u>	<u>331,437</u>
Income from charitable activities										
Childcare enrichment income		0	0	0	0	0	0	0	0	0
Childcare income		0	0	0	0	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Investment income										
Interest income		0	0	0	0	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other income										
Miscellaneous income		0	0	0	0	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total income		<u>34,550</u>	<u>0</u>	<u>94,280</u>	<u>0</u>	<u>25,733</u>	<u>0</u>	<u>18,990</u>	<u>157,884</u>	<u>331,437</u>
LESS: EXPENDITURE										
Cost of charitable activities										
Program expenses	6	33,129	11,344	0	22,217	6,851	10,105	30,374	0	114,020
Home expenses	7	0	0	0	0	0	0	0	0	0
Staff costs	8	0	0	0	0	0	10,105	30,374	0	114,020
		<u>33,129</u>	<u>11,344</u>	<u>0</u>	<u>22,217</u>	<u>6,851</u>	<u>10,105</u>	<u>30,374</u>	<u>0</u>	<u>114,020</u>

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

	Note	DNV-GL S\$	Designated funds							Total Designated funds S\$	
			CSL scholarship fund S\$	CSL trust fund S\$	Donor scholarship fund S\$	Huttons scholarship fund S\$	Lions club fund S\$	Educational fund S\$	Home within home fund S\$		
2016 (Cont'd)											
LESS: EXPENDITURE (CONT'D)											
Governance and other administrative costs											
Administrative expenses	9	0	0	0	0	0	0	0	0	0	0
Depreciation	13	0	0	0	0	0	0	0	0	0	0
Goods and service tax		0	0	0	0	0	0	0	0	0	0
Professional fees	10	0	0	0	0	0	0	0	15,843	15,843	15,843
Property, plant and equipment written off		0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	15,843	15,843	15,843
Total expenditure		33,129	11,344	0	6,851	22,217	10,105	30,374	15,843	129,863	
Net income / (expenditure) for the financial year		1,421	(11,344)	94,280	(6,851)	3,516	(10,105)	(11,384)	142,041	201,574	201,574
Transfers between funds		0	0	0	0	0	0	0	0	0	0
Total funds brought forward		0	186,901	0	6,851	(7,324)	33,845	66,527	55,000	341,800	341,800
Total funds carried forward		1,421	175,557	94,280	0	(3,808)	23,740	55,143	197,041	543,374	

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

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

	Note	Restricted funds – program funds				Total program fund
		Children disability fund	PSGC fund	SSF-R fund	CST fund	
2016 (Cont'd)		S\$	S\$	S\$	S\$	S\$
INCOME						
Voluntary income						
Donations	4	0	0	0	0	0
Grants from social welfare	5	339,841	0	0	280,000	619,841
		339,841	0	0	280,000	619,841
Income from charitable activities						
Childcare enrichment income		0	0	0	0	0
Childcare income		0	0	0	0	0
Parents' contributions		0	0	0	0	0
		0	0	0	0	0
Investment income						
Interest income		0	0	0	0	0
Other income						
Miscellaneous income		0	0	0	0	0
Total income		339,841	0	0	280,000	619,841
LESS: EXPENDITURE						
Cost of charitable activities						
Program expenses	6	0	0	0	29,953	29,953
Home expenses	7	0	0	0	44,819	44,819
Staff costs	8	377,520	0	0	21,421	398,941
		377,520	0	0	96,193	473,713

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

2016 (Cont'd)	Note	Restricted funds – program funds					Total program funds S\$
		Children disability fund S\$	PSGC fund S\$	SSF-R fund S\$	CST fund S\$		
LESS: EXPENDITURE (CONT'D)							
Governance and other administrative costs	9	0	0	0	9,702	9,702	9,702
Administrative expenses	13	0	0	0	48,512	48,512	48,512
Depreciation		0	0	0	4,129	4,129	4,129
Goods and service tax		0	0	0	1,000	1,000	1,000
Professional fees	10	0	0	0	77	77	77
Property, plant and equipment written off		0	0	0	63,420	63,420	63,420
Total expenditure		377,520	0	0	159,613	537,133	537,133
LESS: EXPENDITURE							
Net income / (expenditure) for the financial year		(37,679)	0	0	120,387	82,708	82,708
Transfers between funds		0	0	0	0	0	0
Total funds brought forward		194,837	0	0	0	194,837	194,837
Total funds carried forward		157,158	0	0	120,387	277,545	277,545

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

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

		Restricted funds – Capital funds						Total capital funds
		Care and share fund	Building fund	Capital fund	CST fund	PSGC fund	SSF-R fund	S\$
		S\$	S\$	S\$	S\$	S\$	S\$	S\$
2016 (Cont'd)								
INCOME								
	Voluntary income							
4	Donations	0	0	0	0	0	0	0
5	Grants from social welfare	591,700	0	0	420,000	0	0	1,011,700
		591,700	0	0	420,000	0	0	1,011,700
	Income from charitable activities							
	Childcare enrichment income	0	0	0	0	0	0	0
	Childcare income	0	0	0	0	0	0	0
	Other income							
	Miscellaneous income	0	0	0	0	0	0	0
	Total income	591,700	0	0	420,000	0	0	1,011,700
LESS: EXPENDITURE								
	Cost of charitable activities							
6	Program expenses	0	0	0	0	0	0	0
7	Home expenses	0	0	0	0	0	0	0
8	Staff costs	0	0	0	0	0	0	0

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

		Restricted funds – Capital funds						Total capital funds
		Care and share fund	Building fund	Capital fund	CST fund	PSGC fund	SSF-R fund	S\$
		S\$	S\$	S\$	S\$	S\$	S\$	S\$
Note								
	2016 (Cont'd)							
	LESS: EXPENDITURE (CONT'D)							
	Governance and other administrative costs	0	0	0	0	0	0	0
9	Administrative expenses	0	94,265	0	0	0	0	94,265
13	Depreciation	0	0	0	0	0	0	0
	Goods and service tax	0	0	0	0	0	0	0
10	Professional fees	0	94,265	0	0	0	0	94,265
	TOTAL EXPENDITURE	0	94,265	0	0	0	0	94,265
	Net income / (expenditure) for the financial year	591,700	(94,265)	0	420,000	0	0	917,435
	Transfers between funds	0	0	0	0	0	0	0
	Total funds brought forward	83,300	6,290,005	100,000	0	0	0	6,473,305
	Total funds carried forward	675,000	6,195,740	100,000	420,000	0	0	7,390,740

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

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	2017 S\$	2016 S\$
ASSETS			
Current assets			
Cash and cash equivalents	11	8,110,120	8,460,218
Other receivables	12	122,508	39,596
Other current assets	13	22,385	23,062
		<u>8,255,013</u>	<u>8,522,876</u>
Non-current assets			
Property, plant and equipment	14	10,362,598	8,510,358
Investment in financial assets	15	1,040,250	1,040,250
		<u>11,402,848</u>	<u>9,550,608</u>
Total assets		<u>19,657,861</u>	<u>18,073,484</u>
LIABILITY			
Current liability			
Other payables	16	586,425	313,153
Total liabilities		<u>586,425</u>	<u>313,153</u>
NET ASSETS		<u>19,071,436</u>	<u>17,760,331</u>
FUNDS			
Unrestricted funds			
General fund (Home)	17	9,518,972	9,444,260
Childcare fund	18	178,901	104,412
Designated funds			
- CSL scholarship fund	19	188,342	175,557
- CSL trust fund	19	116,406	94,280
- Donor scholarship fund	19	0	0
- DNV GL fund	19	0	1,421
- Educational fund	19	0	55,143
- Huttons scholarship fund	19	(9,269)	(3,808)
- Lions club fund	19	17,578	23,740
- Home within home fund	19	197,041	197,041
		<u>10,207,971</u>	<u>10,092,046</u>
Restricted funds			
Building fund	20	6,101,476	6,195,740
Capital fund	20	100,000	100,000
Care & share fund	20	1,567,557	675,000
Children disability fund	20	165,361	157,158
CST fund	20	581,991	540,387
Safe and strong families reunification fund	20	72,740	0
Pilot small group care fund	20	274,340	0
		<u>8,863,465</u>	<u>7,668,285</u>
Total funds		<u>19,071,436</u>	<u>17,760,331</u>

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

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

	Balance at the beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers between funds during the financial year S\$	Balance at the end of financial year S\$
2017				
Unrestricted funds				
General fund (Home)	9,444,260	274,712	(200,000)	9,518,972
Childcare fund	104,412	74,489	0	178,901
Designated funds				
- CSL scholarship fund	175,557	(42,358)	55,143	188,342
- CSL trust fund	94,280	22,126	0	116,406
- Donor scholarship fund	0	0	0	0
- DNV GL fund	1,421	(1,421)	0	0
- Educational fund	55,143	0	(55,143)	0
- Huttons scholarship fund	(3,808)	(5,461)	0	(9,269)
- Lions club fund	23,740	(6,162)	0	17,578
- Home within home fund	197,041	0	0	197,041
	<u>10,092,046</u>	<u>315,925</u>	<u>(200,000)</u>	<u>10,207,971</u>
Restricted funds				
Building fund	6,195,740	(94,264)	0	6,101,476
Capital fund	100,000	0	0	100,000
Care & share fund	675,000	892,557	0	1,567,557
Children disability fund	157,158	(191,797)	200,000	165,361
CST fund	540,387	41,604	0	581,991
Safe and strong families reunification fund	0	72,740	0	72,740
Pilot small group care fund	0	274,340	0	274,340
	<u>7,668,285</u>	<u>995,180</u>	<u>200,000</u>	<u>8,863,465</u>
Total funds	<u>17,760,331</u>	<u>1,311,105</u>	<u>0</u>	<u>19,071,436</u>
	Balance at the beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers between funds during the financial year S\$	Balance at the end of financial year S\$
2016				
Unrestricted funds				
General fund (Home)	9,400,973	43,287	0	9,444,260
Childcare fund	78,002	26,410	0	104,412
Designated funds				
- CSL scholarship fund	186,901	(11,344)	0	175,557
- CSL trust fund	0	94,280	0	94,280
- Donor scholarship fund	6,851	(6,851)	0	0
- DNV GL fund	0	1,421	0	1,421
- Educational fund	66,527	(11,384)	0	55,143
- Huttons scholarship fund	(7,324)	3,516	0	(3,808)
- Lions club fund	33,845	(10,105)	0	23,740
- Home within home fund	55,000	142,041	0	197,041
	<u>9,820,775</u>	<u>271,271</u>	<u>0</u>	<u>10,092,046</u>
Restricted funds				
Building fund	6,290,005	(94,265)	0	6,195,740
Capital fund	100,000	0	0	100,000
Care & share fund	83,300	591,700	0	675,000
Children disability fund	194,837	(37,679)	0	157,158
CST fund	0	540,387	0	540,387
	<u>6,668,142</u>	<u>1,000,143</u>	<u>0</u>	<u>7,668,285</u>
Total funds	<u>16,488,917</u>	<u>1,271,414</u>	<u>0</u>	<u>17,760,331</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
Net income for the financial year		1,311,105	1,271,414
Adjustments for:			
Depreciation	14	351,993	324,244
Fixed asset written off		16,609	0
Interest income		(71,324)	(54,417)
Operating cash flow before changes in working capital		<u>1,608,383</u>	<u>1,541,241</u>
Changes in working capital:			
Other receivables		(74,054)	302,345
Other current assets		677	(5,582)
Other payables		<u>273,272</u>	<u>34,098</u>
Net cash generated from operating activities		<u>1,808,278</u>	<u>1,872,102</u>
Cash flows from investing activities			
Purchases of property, plant and equipment	14	(2,220,842)	(117,962)
Interest received		<u>62,466</u>	<u>55,285</u>
Net cash used in investing activities		<u>(2,158,376)</u>	<u>(62,677)</u>
Net (decrease)/ increase in cash and cash equivalents		(350,098)	1,809,425
Cash and cash equivalents at beginning of financial year		<u>8,460,218</u>	<u>6,650,793</u>
Cash and cash equivalents at end of financial year	11	<u>8,110,120</u>	<u>8,460,218</u>

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

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

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 2016 to 30 June 2019.

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.

2.4 Operating 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.

2. Significant accounting policies (Cont'd)

2.4 Leases (Cont'd)

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

2.5 Employee benefits

2.5.1 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.

2.5.2 Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees.

2.6 Income taxes

As the Home is an approved charity, no provision for taxation has been made in the financial statements as the Home is exempted from income tax under Section 13(1) of the Income Tax Act.

2.7 Financial assets

2.7.1 Recognition and measurement

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.

Investments in financial assets are investments in debt or equity instruments, which are recognised when it becomes a party to the contractual provisions of the instrument. These are initially measured at the transaction price excluding transaction costs, if any, which will be recognised as expenditure immediately in the statement of financial activities. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

Other receivables and investments in financial assets are subsequently measured at cost less accumulated impairment losses.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.2 Derecognition

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

2.7.3 Impairment

The Home assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of financial assets is recognised when there is objective evidence that the Home will not be able to collect all amounts due according to the original terms of the receivables. 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. The amount of the allowance is the difference between the asset's carrying amount and the undiscounted future cash flows that the Home expects to receive. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and other administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the Home will reverse the previously recognised impairment loss. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions and short-term highly liquid investments that are readily convertible to a known amount of cash, which are subject to an insignificant risk of change in value.

2. Significant accounting policies (Cont'd)

2.9 Property, plant and equipment

2.9.1 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.

2.9.2 Depreciation

Depreciation on 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 buildings	99 years
Furniture and fittings	3 – 5 years
Office equipment	3 – 5 years
Motor vehicle	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Leasehold land is not depreciated.

The useful lives of property, plant and equipment and depreciation method 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.

2.9.3 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 repairs 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. Significant accounting policies (Cont'd)

2.10 Financial liabilities

2.10.1 Recognition and measurement

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".

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.

2.10.2 Derecognition

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.

2.11 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.

2.12 Fund

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purpose, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. Management Board retains full control over the use of unrestricted funds for any of the Home's purposes.

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;

2. Significant accounting policies (Cont'd)

2.14 Related parties (Cont'd)

- (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)
 - (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. 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 estimate and assumptions that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is 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.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Home's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

4. Donations

	2017 S\$	2016 S\$
Tax deductible donations	1,378,738	1,158,233
Non-tax deductible donations	<u>144,199</u>	<u>310,798</u>
	<u>1,522,937</u>	<u>1,469,031</u>

5. Grants from social welfare

	2017 S\$	2016 S\$
Early Childhood Development Agency	271,033	258,647
Ministry of Health (MOH) - CST	200,000	700,000
Ministry of Social and Family Development (MSF)	3,303,417	1,990,029
National Council of Social Service (NCSS)	5,859	0
Others	<u>83,159</u>	<u>149,360</u>
	<u>3,863,468</u>	<u>3,098,036</u>

6. Program expenses

	2017 S\$	2016 S\$
Childcare expenses	29,355	19,918
Children expenses	36,711	28,256
Enrichment classes	33,526	30,812
Fund raising	5,849	0
School pocket money expenses	31,976	38,293
School expenses	96,323	84,062
Spiritual development expenses	1,711	1,227
Tuition expenses	45,706	30,374
Youth centre expenses	2,705	12,543
Travelling expenses	33,279	21,666
Others	<u>20,000</u>	<u>54,860</u>
	<u>337,141</u>	<u>322,011</u>

7. Home expenses

	2017 S\$	2016 S\$
Food expenses	33,997	54,228
Food (in kind) expenses	39,894	21,188
Household expenses	16,742	19,041
Repairs and maintenance	56,599	53,798
Vehicle upkeep	27,100	15,822
Water, gas and electricity	97,372	92,815
School expenses	1,323	0
Others	(325)	0
	<u>272,702</u>	<u>256,892</u>

8. Staff costs

	2017 S\$	2016 S\$
CPF and SDF contributions	383,088	284,567
Foreign workers levy	98,773	88,331
Insurance	21,172	27,593
Medical expenses	13,962	17,693
Salaries, wages and bonus	2,796,729	2,118,530
Staff recruitment	19,393	5,145
Staff training	37,793	34,178
Staff welfare	17,930	23,502
Staff travel	3,352	10,046
Others	21,882	19,434
	<u>3,414,074</u>	<u>2,629,019</u>

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

	2017	2016
S\$100,001 to S\$200,000	0	2
S\$50,001 to S\$100,000	<u>3</u>	<u>1</u>

9. Administrative expenses

	2017 S\$	2016 S\$
Association subscription	0	11,690
Bank charges	288	459
IT expenses	4,866	18,529
Postages	173	314
Printing and stationeries	18,012	14,440
Rental of equipment	4,652	4,368
Telephone	7,742	5,125
Others	1,952	2,894
	<u>37,685</u>	<u>57,819</u>

10. Professional fees

	2017 S\$	2016 S\$
Audit fees	12,038	8,900
Professional fees	<u>2,500</u>	<u>15,843</u>
	<u>14,538</u>	<u>24,743</u>

11. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash in hand	10,000	10,000
Cash at banks	5,100,120	6,905,268
Fixed deposits	<u>3,000,000</u>	<u>1,544,950</u>
	<u>8,110,120</u>	<u>8,460,218</u>

Fixed deposits have maturity terms ranging from 6 to 12 months (2016: 6 to 18 months) and interest rates ranging from 1.020% to 1.15% (2016: 0.50% to 1.42%) per annum.

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

12. Other receivables

	2017 S\$	2016 S\$
Deposits	7,399	6,520
Grant receivables	86,504	0
Interest receivable	12,918	4,058
Other receivables	10,071	23,400
Prepayments	<u>5,616</u>	<u>5,618</u>
	<u>122,508</u>	<u>39,596</u>

13. Other current assets

	2017 S\$	2016 S\$
Consumable goods	<u>22,385</u>	<u>23,062</u>

14. Property, plant and equipment

	Balance at beginning of financial year S\$	Additions S\$	(Disposal/Written off) S\$	Transfers (to) /from	Balance at end of financial year S\$
2017					
Cost					
Leasehold land and building	9,980,189	0	0	1,992,854	11,973,043
Furniture and fittings	784,408	40,457	(40,650)	76,085	860,300
Office equipment	413,894	61,846	0	74,233	549,973
Motor vehicle	94,078	50,484	(41,695)	0	102,867
Renovation under construction	78,888	2,068,055	0	(2,143,172)	3,771
	11,351,457	2,220,842	(82,345)	0	13,489,954

	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back / off) S\$	Transfers (to) /from	Balance at end of financial year S\$
Accumulated depreciation					
Leasehold land and building	2,044,977	130,524	0	0	2,175,501
Furniture and fittings	439,543	130,463	(24,041)	0	545,965
Office equipment	262,501	88,482	0	0	350,983
Motor vehicle	94,078	2,524	(41,695)	0	54,907
Renovation under construction	0	0	0	0	0
	2,841,099	351,993	(65,736)	0	3,127,356

14. Property, plant and equipment (Cont'd)

	Balance at beginning of financial year S\$	Balance at end of financial year S\$
2017 (Cont'd)		
Carrying amount		
Leasehold land and building	7,935,212	9,797,542
Furniture and fittings	344,865	314,335
Office equipment	151,393	198,990
Motor vehicle	0	47,960
Renovation under construction	78,888	3,771
	8,510,358	10,362,598

	Balance at beginning of financial year S\$	Additions S\$	(Disposal/Written off) S\$	Transfers (to) /from	Balance at end of financial year S\$
2016					
Cost					
Leasehold land and building	9,980,189	0	0	0	9,980,189
Furniture and fittings	777,133	7,275	0	0	784,408
Office equipment	382,095	31,799	0	0	413,894
Motor vehicle	94,078	0	0	0	94,078
Renovation under construction	0	78,888	0	0	78,888
	11,233,495	117,962	0	0	11,351,457

14. Property, plant and equipment (Cont'd)	Balance at beginning of financial year S\$	Depreciation charge S\$	(Written back / off) S\$	Transfers (to) /from	Balance at end of financial year S\$
2016 (Cont'd)					
Accumulated depreciation					
Leasehold land and building	1,924,749	120,228	0	0	2,044,977
Furniture and fittings	317,383	122,160	0	0	439,543
Office equipment	191,121	71,380	0	0	262,501
Motor vehicle	83,602	10,476	0	0	94,078
Renovation under construction	0	0	0	0	0
	<u>2,516,855</u>	<u>324,244</u>	<u>0</u>	<u>0</u>	<u>2,841,099</u>

	Balance at beginning of financial year S\$	Carrying amount	of
Leasehold land and building	8,055,440	7,935,212	
Furniture and fittings	459,750	344,865	
Office equipment	190,974	151,393	
Motor vehicle	10,476	0	
Renovation under construction	0	78,888	
	<u>8,716,640</u>	<u>8,510,358</u>	

The leasehold land and building with a carrying amount of S\$7,814,987 (2016: S\$7,935,212) is registered in the name of a Management Committee who holds in trust for the Home.

15. Investment in financial assets

	2017 S\$	2016 S\$
Corporate bonds in Singapore		
Balance at beginning and end of financial year	<u>1,040,250</u>	<u>1,040,250</u>

The corporate bonds have interest rates ranging from 3.08% to 6.00% (2016: 3.08% to 6.00%) per annum and will mature ranging from 8 October 2018 to 12 September 2022 (2016: 8 October 2018 to 12 September 2022).

Subsequent to year end, the Home disposed of its investment in financial assets amounting to S\$219,619.

16. Other payables

	2017 S\$	2016 S\$
Accruals	113,614	50,771
Grant payables	96,000	0
Deposits	28,810	25,620
Other payables	81,295	24,972
Provision for bonuses	<u>266,706</u>	<u>211,790</u>
	<u>586,425</u>	<u>313,153</u>

17. General fund (Home)

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

18. Childcare fund

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

19. Designated funds

This fund is composed of the following:

19.1 CSL scholarship fund

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

19.2 CSL trust fund

The donor has directed this fund to be used for the purchase of a new commuter van (on a matching basis), certain enrichment programs as well as a training program.

19. Designated funds (Cont'd)

19.3 Donor scholarship fund

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

19.4 DNV GL fund

The fund is used to pay for school and tuition fees for certain residents.

19.5 Educational fund

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

19.6 Huttons scholarship fund

Hutton's Asia Pte Ltd has generously agreed to sponsor selected residents for tertiary education.

19.7 Lions club fund

The donors from Lions Club have specified the use of their funds to be used for the children's personal needs.

19.8 Home within home fund

This fund is used for upgrading and renovating all the eight dormitories for the residents.

20. Restricted Funds

20.1 Building fund

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

20.2 Capital fund

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

20.3 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.

20.4 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.

20. Restricted Funds (Cont'd)**20.5 CST fund**

The Community Silver Trust (CST) is a dollar-for-dollar donation-matching grant by the government to enhance the services of voluntary welfare organisations (VWOs) in the intermediate and long-term care (ILTC) sector.

Key objective of the CST is to encourage public donations from philanthropists, other organisations and also the man in the street. VWOs need donations from the public for their day-to-day operations.

20.6 Safe & Strong Families-Reunification (SSF-R) Fund

This fund is used for the purpose of program initiative for children and young persons who transit from Out-of Home Care back to their families.

20.7 Pilot Small Group Care (PSGC) Fund

This fund is used for the purpose to provide appropriate levels of care for children and young persons with higher needs and who therefore require small group care for a limited period of time.

21. 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:

	2017 S\$	2016 S\$
Short-term employee benefits – Salaries and bonuses	79,373	99,300
Post-employment benefits – contribution to CPF	10,905	15,616
	<u>90,278</u>	<u>114,916</u>
No. of key management personnel of the Home in remuneration bands:		
S\$10,000 and S\$100,000	2	0
Above S\$100,000	<u>0</u>	<u>1</u>

22. Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements were as follows:

	2017 S\$	2016 S\$
Property, plant and equipment	<u>938,812</u>	<u>2,453,058</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 the financial year ended 31 December 2017 is as follows:

		2017	2016	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	General fund	9,519	9,444	0.79
	Childcare fund	179	105	70.48
	Designated funds			
	- CSL scholarship fund	188	176	6.82
	- CSL trust fund	116	94	23.40
	- Donor scholarship fund	0	0	0.00
	- DNV GL fund	0	1	(100.00)
	- Educational fund	0	55	(100.00)
	- Huttons scholarship fund	(9)	(4)	125.00
	- Lions club fund	18	24	(25.00)
	- Home within home fund	197	197	0.00
B	Restricted funds			
	Building fund	6,101	6,196	(1.53)
	Capital fund	100	100	0.00
	Care & share fund	1,568	675	132.30
	Children disability fund	165	157	5.10
	CST fund	582	540	7.78
	Safe and strong families reunification fund	73	0	N/A
	Pilot small group care fund	274	0	N/A
C	Endowment funds	N/A	N/A	N/A
D	Total funds	19,071	17,760	7.38
E	Total annual operating expenditure	4,450	3,639	22.29
F	Ratio of funds to annual operating expenditure (A/E)	2.14	2.77	

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.

23. Reserve position and policy (Cont'd)

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 financial year.

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.

Comparative figures

Certain line items have been adjusted and reclassified on the face of the statement of financial activities, and the related notes to the financial statements, as shown below:

2016	As previously reported S\$	Reclassifications S\$	As restated S\$
Statement of financial activities			
Cost of charitable activities			
- Children/School expenses	280,971	(280,971)	0
- Alumni expenses	19,374	(19,374)	0
- Home expenses	278,558	(21,666)	256,892
- Program expenses	0	322,011	322,011
Governance and other administrative costs			
- Administrative expenses	54,925	2,894	57,819
- Miscellaneous expenses	2,894	(2,894)	0
	<u>358,164</u>	<u>0</u>	<u>358,164</u>

26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 25 April 2018.