

KAMPONG KAPOR FAMILY SERVICE CENTRE

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2016**

CONTENTS

Statement by the Management Committee	1
Independent Auditor's Report	2
Statement of Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Accumulated Fund and Specified Funds	5
Statement of Cash Flows	6
Notes to the Financial Statements	7



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Baker Tilly TFW LLP
Chartered Accountants of Singapore

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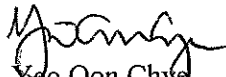
THE MANAGEMENT COMMITTEE

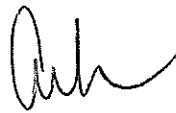
KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT BY THE MANAGEMENT COMMITTEE

On behalf of the Management Committee, we, Yeo Oon Chye and Goh Poh Gek, being the Chairman and Honorary Treasurer of Kampong Kapor Family Service Centre (“Society”) respectively, do hereby state that in our opinion, the financial statements on pages 3 to 18 are properly drawn up in accordance with the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2016 and of its financial performance, changes in accumulated fund and specific funds and cash flows of its operations for the financial year ended on that date.

On behalf of the Management Committee,


Yeo Oon Chye
Chairman


Goh Poh Gek
Honorary Treasurer

8 September 2016



BAKER TILLY TFW

Baker Tilly TFW LLP
Chartered Accountants of Singapore
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

T: +65 6336 2828
F: +65 6339 0438

www.bakertillytfw.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAMPONG KAPOR FAMILY SERVICE CENTRE

Report on the Financial Statements

We have audited the accompanying financial statements of Kampong Kapor Family Service Centre (the "Society") as set out on pages 3 to 18, which comprise the balance sheet as at 31 March 2016, the statement of comprehensive income, statement of changes in accumulated fund and specific 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

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, the Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, 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.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management Committee, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards and the Societies Act and the Charities Act so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2016 and the financial performance, changes in accumulated fund and specific funds and cash flows of the Society 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 Society 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 financial year:

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

BakerTillyTFW

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

8 September 2016

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 March 2016

	Note	Operating Activities 2016			Total Funds \$	2015 Total Funds \$
		Unrestricted Fund \$	KKFSC Programme Fund \$	WFSC Programme Fund		
Income						
Donations	3	54,427	276,929	–	331,356	54,157
Grants from NCSS	4	–	501,041	17,300	518,341	826,700
Grants from government (recurrent)		–	1,535,941	54,062	1,590,003	862,569
Other grants from government		13,196	123,572	20,305	157,073	177,393
Programme and membership income		25,432	34,096	–	59,528	58,467
Training income		–	70,720	–	70,720	67,600
Sundry income		3,116	8,202	–	11,318	7,250
Amortisation of capital grant	14	10,688	65,655	–	76,343	76,104
		106,859	2,616,156	91,667	2,814,682	2,130,240
Less expenditure						
Staff costs	5	220,870	1,754,489	75,574	2,050,933	1,811,776
Depreciation of plant and equipment	6	14,985	92,047	34	107,066	110,760
Rent of building, equipment and others		4,064	24,967	–	29,031	31,544
Other operating expenses		23,005	131,322	5,365	159,692	161,488
		262,924	2,002,825	80,973	2,346,722	2,115,568
Net surplus for the financial year		(156,065)	613,331	10,694	467,960	14,672
Transfer of operation funds		2,187	(248,354)	–	(246,167)	687
Net movement of operation funds		(153,878)	364,977	10,694	221,793	15,359
Net movement of non-operation funds						
School Pocket Money Fund	10				(8,431)	(9,925)
Financial Assistance Fund	11				250,727	(2,527)
Comcare Fund	12				(3,652)	(2,269)
Capital grant	14				(71,547)	(76,121)
Care & Share grant	15				45,099	–
					212,196	(90,842)
Net movement of total funds					433,989	(75,483)

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

BALANCE SHEET

At 31 March 2016

	Note	2016 \$	2015 \$
Non-current asset			
Plant and equipment	6	297,329	398,126
Current assets			
Other receivables	7	159,460	83,222
Cash and bank balances		1,082,496	1,655,493
Fixed deposits	8	2,008,155	1,003,400
		3,250,111	2,742,115
Total assets		3,547,440	3,140,241
Current liability			
Other payables	9	72,662	99,452
Net assets		3,474,778	3,040,789
Funds			
<i>Unrestricted Fund</i>			
Accumulated Fund		1,669,189	1,823,067
<i>Restricted Fund</i>			
School Pocket Money Fund	10	33,448	41,879
Financial Assistance Fund	11	253,100	2,373
Comcare Fund	12	1,029	4,681
KKFSC Programme Fund	13	1,252,964	887,987
Capital grant	14	209,255	280,802
Care and Share Matching grant	15	45,099	–
WFSC Programme Fund	16	10,694	–
Total Funds		3,474,778	3,040,789

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS For the financial year ended 31 March 2016

	Unrestricted Fund	Restricted Funds						Total Funds	
		School Pocket Money Fund	Financial Assistance Fund	Comcare Fund	KKFSC Programme Fund	Capital grant	Care and Share Matching grant		WFSC Programme Fund
Accumulated Fund	\$	\$	\$	\$	\$	\$	\$	\$	
		Note 10	Note 11	Note 12	Note 13	Note 14	Note 15	Note 16	
Balance at 1 April 2014	2,234,252	51,804	4,900	6,950	461,443	356,923	–	–	3,116,272
Net movement of Funds	(411,185)	(9,925)	(2,527)	(2,269)	426,544	(76,121)	–	–	(75,483)
Balance at 31 March 2015	1,823,067	41,879	2,373	4,681	887,987	280,802	–	–	3,040,789
Net movement of Funds	(153,878)	(8,431)	250,727	(3,652)	364,977	(71,547)	45,099	10,694	433,989
Balance at 31 March 2016	1,669,189	33,448	253,100	1,029	1,252,964	209,255	45,099	10,694	3,474,778

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2016

	2016 \$	2015 \$
Cash flows from operating activities		
Surplus for the financial year	467,960	14,672
Adjustments for:		
Depreciation of plant and equipment	107,066	110,760
Amortisation of capital grant	(76,343)	(76,104)
Plant and equipment written-off	–	3,030
Operating cash flow before working capital changes	498,683	52,358
Receivables	(76,238)	555,433
Payables	(26,790)	29,413
Net cash from operating activities	395,655	637,204
Cash flows from investing activity		
Purchase of plant and equipment	(1,709)	(118,349)
Cash flows from restricted funds		
School Pocket Money Fund	(8,431)	(9,925)
Financial Assistance Fund	–	(1,840)
Comcare Fund	(3,652)	(2,269)
Capital grant	4,796	(17)
Care and Share Matching grant	45,099	–
Net cash from/(used in) restricted funds	37,812	(14,051)
Net increase in cash and cash equivalents	431,758	504,804
Cash and cash equivalents at beginning of financial year	2,658,893	2,154,089
Cash and cash equivalents at end of financial year	3,090,651	2,658,893
Cash and cash equivalents comprise:		
Fixed deposits	2,008,155	1,003,400
Cash and bank balances	1,082,496	1,655,493
Cash and cash equivalents at end of financial year	3,090,651	2,658,893

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

KAMPONG KAPOR FAMILY SERVICE CENTRE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

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

1 General information

Kampong Kapor Family Service Centre is registered in Singapore under the Societies Act. The Society is a registered charity under the Charities Act since 1 April 2010.

The Society provides casework and counselling, information and referral services, preventive and developmental programmes and activities for individuals and families in need. The objective of the programmes and services is to develop and strengthen clients' resilience and social support networks within family and community. It is located at Blk 2 Kitchener Road, #03-89, Singapore.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollars which is the functional currency of the Society, have been prepared in accordance with the provisions of the Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of 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's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the financial year.

The carrying amounts of cash and bank balances, fixed deposits, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not have any material effect on the financial results or position of the Society.

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 March 2016 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

2 Significant accounting policies (cont'd)

b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is charged on the straight-line method to write off the assets over their estimated useful lives as follows:

	Years
Computers	3
Furniture, fittings & fixtures	5
Office equipment	5
Renovations	5

On disposal of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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

c) Income recognition

Donations	- when received
Programme income	- over the period of provision of services to clients
Grant	- where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with

d) Grants

Capital grants

Capital grants received are amortised over the useful lives of the assets acquired using the grants.

Total capital grants received less the amounts amortised to income or expenditure at the balance sheet date are included in the balance sheet as capital grants.

Revenue grants

Grants of a revenue nature are credited to income or expenditure in the period to which they relate.

e) Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the contributions relate.

2 Significant accounting policies (cont'd)

f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

g) Income tax

The Society is exempted from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

h) Provision for other liabilities

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

i) Financial assets

Classification

The Society classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date. The Society's only financial assets are loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified within cash and bank balances, fixed deposits and other receivables (excluding prepayments) on the balance sheet.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sales proceeds and its carrying amount is taken to income or expenditure.

2 Significant accounting policies (cont'd)

i) Financial assets (cont'd)

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains and losses are recognised in income or expenditure when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment

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

Loans and receivables

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

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

j) Financial liabilities

Financial liabilities comprise other payables (excluding advance receipts) which are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

k) Leases

Operating lease

Leases where 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 income or expenditure 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 expenditure in the period in which termination takes place.

3 Donations

Included in donations are tax deductible receipts of \$34,500 (2015: \$46,150).

4 Grants from NCSS

	2016 \$	2015 \$
Community Chest	88,550	159,061
Tote Board Social Service Fund	429,791	663,639
SSNET	-	4,000
	<u>518,341</u>	<u>826,700</u>

5 Staff costs

	2016 \$	2015 \$
Salaries and related costs	1,717,146	1,524,178
Central Provident Fund	254,777	216,273
Staff benefit and training	54,638	61,779
Other staff costs	24,372	9,546
	<u>2,050,933</u>	<u>1,811,776</u>

a) Included in the above are remuneration paid to key management personnel as follows:

	2016 \$	2015 \$
Salaries and related costs	234,718	227,686
Central Provident Fund	27,614	26,182
	<u>262,332</u>	<u>253,868</u>

b) Included in the staff costs, the Society has one staff member (2015: 2) out of the top three earners with an annual remuneration above \$100,000.

6 Plant and equipment

	Furniture fittings & fixtures \$	Computers \$	Office equipment \$	Renovations \$	Total \$
2016					
Cost					
At 1.4.2015	18,942	48,604	22,940	458,024	548,510
Additions	687	4,560	1,022	–	6,269
Written-off	–	(25,408)	(857)	–	(26,265)
At 31.3.2016	19,629	27,756	23,105	458,024	528,514
Accumulated depreciation					
At 1.4.2015	4,182	38,926	8,184	99,092	150,384
Depreciation charge	3,869	6,812	4,781	91,604	107,066
Written-off	–	(25,408)	(857)	–	(26,265)
At 31.3.2016	8,051	20,330	12,108	190,696	231,185
Net carrying value					
At 31.3.2016	11,578	7,426	10,997	267,328	297,329
2015					
Cost					
At 1.4.2014	11,354	48,604	10,298	381,310	451,566
Additions	10,321	–	14,929	93,099	118,349
Written-off	(2,733)	–	(2,287)	(16,385)	(21,405)
At 31.3.2015	18,942	48,604	22,940	458,024	548,510
Accumulated depreciation					
At 1.4.2014	482	30,796	4,254	22,467	57,999
Depreciation charge	4,292	8,130	5,328	93,010	110,760
Written-off	(592)	–	(1,398)	(16,385)	(18,375)
At 31.3.2015	4,182	38,926	8,184	99,092	150,384
Net carrying value					
At 31.3.2015	14,760	9,678	14,756	358,932	398,126

During the year, additions of plant and equipment financed by capital grants received amounted to \$4,560 (2015: \$Nil). Cash paid for remaining additions for the year totalled \$1,709 (2015: \$Nil).

7 Other receivables

	2016	2015
	\$	\$
Sundry receivables	153,203	75,990
Sundry deposits	3,533	4,123
Prepayments	2,724	3,109
	<u>159,460</u>	<u>83,222</u>
Not past due		
- Grants receivable from IRAS and WDA	9,727	9,081
- Grants receivable from MSF	104,008	-
- Grants receivable from NCSS	17,300	50,440
- Grant receivable from MOM	9,178	-
- Other receivables	2,728	9,030
- Interest receivables	7,803	3,320
- Trade receivables	581	-
	<u>151,325</u>	<u>71,871</u>
Past due but not impaired	1,878	4,119
	<u>153,203</u>	<u>75,990</u>

The age analysis of sundry receivables past due but not impaired was as follows:

	\$	\$
Past due 0 - 30 days	124	137
Past due 31 - 60 days	44	65
Past due 60 days and over	1,710	3,917
	<u>1,878</u>	<u>4,119</u>

8 Fixed deposits

Fixed deposits are short term in nature, mature less than 12 months (2015: 12 months) after balance sheet date and earn interests at the short-term fixed deposits rates ranging from 0.65% to 1.1% (2015: 0.47%) per annum.

9 Other payables

	2016	2015
	\$	\$
Sundry payables	70,007	46,714
Accrued operating expenses	-	50,828
Deposits from students	2,655	1,910
	<u>72,662</u>	<u>99,452</u>

10 School Pocket Money Fund

	2016 \$	2015 \$
At 1 April	41,879	51,804
Receipts	72,219	129,790
Expenditure	(80,650)	(139,715)
Net deficit for the financial year	(8,431)	(9,925)
At 31 March	33,448	41,879

These are funds received from National Council of Social Service to finance needy students.

11 Financial Assistance Fund

	2016 \$	2015 \$
At 1 April	2,373	4,900
Receipts	57,758	28,373
Expenditure	(57,758)	(30,213)
Net deficit for the financial year	–	(1,840)
Transfer from/(to) Accumulated Fund	250,727	(687)
At 31 March	253,100	2,373

The fund is set up to provide financial assistance to needy families.

12 Comcare Fund

	2016 \$	2015 \$
At 1 April	4,681	6,950
Receipts	5,318	3,050
Expenditure	(8,970)	(5,319)
Net deficit for the financial year	(3,652)	(2,269)
At 31 March	1,029	4,681

These are funds received from Ministry of Social and Family Development for short term emergency fund disbursed to the needy.

13 KKFSC Programme Fund

	2016 \$	2015 \$
At 1 April	887,987	461,443
Transfer from Accumulated Fund	364,977	426,544
At 31 March	<u>1,252,964</u>	<u>887,987</u>

These are funds received from National Council of Social Service and Ministry of Social and Family Development to provide service to the Community.

The services provided are under Community's programme and the Programme Fund ending balance of the year as indicated above is restricted for the operations of the programmes only, for the benefit of its intended clients. In keeping with the funder/donor's intent for the use of monies, the reserve will not be transferred out of the Programme for other purposes.

14 Capital grant

	2016 \$	2015 \$
At 1 April	280,802	356,923
Additions	4,796	2,124
Current year amortisation	(76,343)	(76,104)
Transfer to other income	-	(2,141)
Net deficit for the financial year	<u>(71,547)</u>	<u>(76,121)</u>
At 31 March	<u>209,255</u>	<u>280,802</u>

15 Care and Share Matching grant

The Grant which is given out under the Care and Share movement, is managed by the Ministry of Social and Family Development ("MSF") and is called the Care and Share Matching Grant.

	2016 \$	2015 \$
At 1 April	-	-
Receipts	118,581	-
Expenditure	(73,482)	-
Net surplus for the financial year	<u>45,099</u>	-
At 31 March	<u>45,099</u>	-

As per the Variation to the Funding Agreement dated 30 September 2015 (the "Agreement"), this represents a dollar and twenty-five cents for every eligible donation dollar for the first \$1,000,000 and a dollar for every eligible donation dollar for the subsequent \$1,000,000 that the Society raises between 1 January 2015 and 30 June 2019. The Grant shall be used to develop social service related VWOs and their programmes to better serve the beneficiaries. The Grant can be used for the following areas:

- (i) Capability Building
- (ii) Capacity Building
- (iii) New Initiatives/Expansion of existing services
- (iv) Critical Existing Needs (up to 20%)

15 Care and Share Matching grant (cont'd)

The Society has up to 3 years after the end of the matching grant period (i.e. 30 June 2019) to utilise the grants.

The Society participates in the Care and Share Matching Grant Scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules. During the financial year, the Society received approved grant of \$316,216 (2015: \$Nil).

16 WFSC Programme Fund

	2016 \$	2015 \$
At 1 April	-	-
Transfer from Accumulated Fund	10,694	-
At 31 March	<u>10,694</u>	-

These are funds received from National Council of Social Service and Ministry of Social and Family Development to provide service to the Community.

The services provided are under Community's programme and the Programme Fund ending balance of the year as indicated above is restricted for the operations of the programmes only, for the benefit of its intended clients. In keeping with the funder/donor's intent for the use of monies, the reserve will not be transferred out of the Programme for other purposes.

17 Operating lease commitment

At balance sheet date, minimum lease payments for non-cancellable operating lease not provided for in the financial statements are as follows:

	2016 \$	2015 \$
Within 1 year	4,879	4,879
Within 2 to 5 years	13,418	18,297

18 Reserve policy

The Society shall seek to accumulate and maintain cash reserves of at least one year, but not more than two years of annual operating expenditure. Substantial funding is secured in advance annually (or in some cases, bi-annually) from well-funded National-level institutions.

19 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at balance sheet date are as follows:

	2016 \$	2015 \$
<i>Financial assets</i>		
Loan and receivables	3,247,387	2,739,006
<i>Financial liability</i>		
At amortised cost	<u>67,316</u>	<u>98,879</u>

19 Financial instruments (cont'd)

b) Financial risk management

Overall risk management is determined and carried out by the Management Committee. Due to the nature of the Society's activities, it has minimal financial risks exposure.

Foreign exchange risk

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollars.

Credit risk

The Society's exposure to credit risk arises primarily from sundry receivables and cash and bank balances. The Society has no significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheet.

Financial assets that are neither past due nor impaired

Sundry receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 7.

Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates as it has no significant interest bearing assets or liabilities except for cash and bank balances where interest earned is not significant.

The sensitivity analysis for interest rate is not disclosed as the effect on the financial statements is not expected to be significant.

Liquidity risk

The Management Committee exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted payments.

c) Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

20 Fund management

The Society's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through the income and significant support in the form of NCSS and MSFD funding and donations.

No changes were made to the fund management objectives during the financial years ended 31 March 2016 and 31 March 2015.

21 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Management Committee dated 8 September 2016.