

VIRIYA COMMUNITY SERVICES

[UEN. T01SS0059B]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

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Public Accountants and
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STATEMENT BY THE MANAGEMENT COMMITTEE

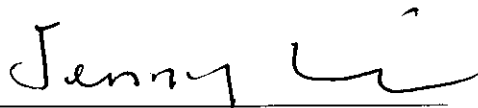
In the opinion of the Management Committee, the accompanying financial statements set out on pages 6 to 33 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2016 and the results, changes in funds and cash flows of the Society for the year then ended.

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

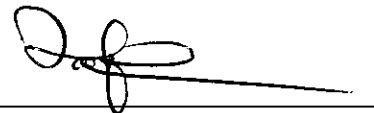
The Management Committee, comprising the following, authorised the issue of these financial statements on **10 MAR 2017**

President	Lim Yin Nee, Jenny
Vice President	Chia Eng Soon
Honorary Secretary	Tay Hong Beng
Honorary Treasurer	Teoh Eong Kow
Committee Member	Koh Ming Feng, Abner
Committee Member	Ng Mui Siang
Committee Member	Koh Wei Peng Alex
Committee Member	Tham Khuan Heng
Committee Member	Tan Yan Song

For and on behalf of the Management Committee,



Lim Yin Nee, Jenny
President



Teoh Eong Kow
Honorary Treasurer

Singapore,
10 March 2017

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Independent auditor's report to the members of:

VIRIYA COMMUNITY SERVICES

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Viriya Community Services (the "Society"), which comprise the statement of financial position as at 31 December 2016, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and the 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 "Society Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2016 and the results, changes in equity and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 included in page 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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:

VIRIYA COMMUNITY SERVICES
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Responsibilities of Management and Management Committee 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 Charities Accounting Standard, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Society'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 Society'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 Society'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 Society 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 Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 10 March 2017

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	Total funds S\$
INCOME							
Income from generated funds	16	296,179	325,501	621,680	75,343	18,526	715,549
Income from charitable activities	16	508,521	858,260	1,366,781	1,821,247	1,631,960	4,819,988
Other income	16	0	246,383	246,383	113,909	50,499	410,791
Total income		804,700	1,430,144	2,234,844	2,010,499	1,700,985	5,946,328
LESS: EXPENDITURE							
Costs of charitable activities	17	545,987	937,607	1,483,594	1,776,997	1,181,151	4,441,742
Governance and other administrative costs	17	326	25,998	26,324	46,988	40,020	113,332
Total expenditure		546,313	963,605	1,509,918	1,823,985	1,221,171	4,555,074
NET INCOME FOR THE YEAR		258,387	466,539	724,926	186,514	479,814	1,391,254
TOTAL FUNDS BROUGHT FORWARD		6,104,031	2,005,918	8,109,949	4,824,604	1,211,794	14,146,347
TOTAL FUNDS CARRIED FORWARD		6,362,418	2,472,457	8,834,875	5,011,118	1,691,608	15,537,601

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

	Note	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	Total funds S\$
INCOME							
Income from generated funds	16	519,973	354,333	874,306	56,619	7,113	938,038
Income from charitable activities	16	360,496	719,503	1,079,999	1,843,816	1,471,870	4,395,685
Other income	16	0	254,146	254,146	79,299	37,292	370,737
Total income		880,469	1,327,982	2,208,451	1,979,734	1,516,275	5,704,460
LESS: EXPENDITURE							
Costs of charitable activities	17	625,429	932,101	1,557,530	1,693,152	731,918	3,982,600
Governance and other administrative costs	17	268	14,582	14,850	44,168	33,605	92,623
Total expenditure		625,697	946,683	1,572,380	1,737,320	765,523	4,075,223
NET INCOME FOR THE YEAR		254,772	381,299	636,071	242,414	750,752	1,629,237
TRANSFER OF FUNDS FROM WHFSC		131,650	0	131,650	4,588,445	0	4,720,095
TRANSFER OF FUNDS		6,255	0	6,255	(6,255)	0	0
TOTAL FUNDS BROUGHT FORWARD		5,711,354	1,624,619	7,335,973	0	461,042	7,797,015
TOTAL FUNDS CARRIED FORWARD		6,104,031	2,005,918	8,109,949	4,824,604	1,211,794	14,146,347

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016				2015			
		Corporate S\$	Restricted		Total S\$	Corporate S\$	Restricted		Total S\$
			WHFSC S\$	VFSC S\$			WHFSC S\$	VFSC S\$	
ASSETS									
Current assets									
Cash and cash equivalents	4	7,081,870	4,931,740	1,657,358	13,670,968	6,311,173	4,723,486	1,255,098	12,289,757
Other receivables	5	110,233	106,589	101,122	317,944	79,112	3,927	2,063	85,102
		7,192,103	5,038,329	1,758,480	13,988,912	6,390,285	4,727,413	1,257,161	12,374,859
Non-current assets									
Investments in financial assets	6	2,050,000	0	0	2,050,000	2,050,000	0	0	2,050,000
Property, plant and equipment	7	38,189	117,094	6,498	161,781	39,461	168,267	22,520	230,248
		2,088,189	117,094	6,498	2,211,781	2,089,461	168,267	22,520	2,280,248
Total assets		9,280,292	5,155,423	1,764,978	16,200,693	8,479,746	4,895,680	1,279,681	14,655,107
LIABILITY									
Current liability									
Other payables	8	445,417	144,305	73,370	663,092	369,797	71,076	67,887	508,760
NET ASSETS		8,834,875	5,011,118	1,691,608	15,537,601	8,109,949	4,824,604	1,211,794	14,146,347
FUNDS									
Unrestricted		2,472,457	NA	NA	2,472,457	2,005,918	NA	NA	2,005,918
Accumulated surplus									
Restricted									
Government capital fund	9	0	111,371	0	111,371	5,384	85,245	34,230	124,859
Endowment fund	10	3,678,268	1,569,769	0	5,248,037	3,632,455	1,547,807	0	5,180,262
Other restricted and designated funds	11	2,684,150	3,329,978	1,691,608	7,705,736	2,466,192	3,191,552	1,177,564	6,835,308
		6,362,418	5,011,118	1,691,608	13,065,144	6,104,031	4,824,604	1,211,794	12,140,429
		8,834,875	5,011,118	1,691,608	15,537,601	8,109,949	4,824,604	1,211,794	14,146,347

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Balance at end of year S\$
2016				
Unrestricted fund				
Accumulated surplus		<u>2,005,918</u>	<u>466,539</u>	<u>2,472,457</u>
Restricted funds				
Government capital fund	9	<u>124,859</u>	<u>(13,488)</u>	<u>111,371</u>
Endowment fund	10	<u>5,180,262</u>	<u>67,775</u>	<u>5,248,037</u>
Other restricted and designated funds	11			
Learn My Dialect Fund		7,445	20,210	27,655
LHCST - NKF Dialysis Medical Fund		220,043	(9,933)	210,110
Viriya - Children's Medical Fund		812,697	56,489	869,186
Viriya - Elderly Medical Fund		712,243	59,763	772,006
Viriya - Gap fund		224,587	84,451	309,038
Viriya - KPMG Scholarship Fund		166,822	8,500	175,322
Viriya - MediAssist Fund		177,630	(86,525)	91,105
Viriya - Sunray Education Fund		9,630	(1,000)	8,630
Viriya - Wan Boo Sow Fund		135,095	86,003	221,098
VFSC - Accumulated surplus		1,177,564	514,044	1,691,608
WHFSC - Accumulated surplus		<u>3,191,552</u>	<u>138,426</u>	<u>3,329,978</u>
		<u>6,835,308</u>	<u>870,428</u>	<u>7,705,736</u>
TOTAL FUNDS		<u>14,146,347</u>	<u>1,391,254</u>	<u>15,537,601</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 (CONT'D)**

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Transferred from WHFSC	Transferred to / (from) S\$	Balance at end of year S\$
2015						
Unrestricted fund						
Accumulated surplus		<u>1,624,619</u>	<u>381,299</u>	<u>0</u>	<u>0</u>	<u>2,005,918</u>
Restricted funds						
Government capital fund	9	<u>10,769</u>	<u>114,090</u>	<u>0</u>	<u>0</u>	<u>124,859</u>
Endowment fund	10	<u>3,582,578</u>	<u>65,727</u>	<u>1,531,957</u>	<u>0</u>	<u>5,180,262</u>
Other restricted and designated funds						
BOP Fund		0	0	6,255	(6,255)	0
Learn My Dialect Fund		(7,240)	14,685	0	0	7,445
LHCST - NKF Dialysis Medical Fund		240,363	(20,320)	0	0	220,043
Viriya - Children's Medical Fund		784,976	27,721	0	0	812,697
Viriya - Elderly Medical Fund		772,214	(59,971)	0	0	712,243
Viriya - Gap fund		0	92,937	131,650	0	224,587
Viriya - KPMG Scholarship Fund		132,622	34,200	0	0	166,822
Viriya - MediAssist Fund		139,585	38,045	0	0	177,630
Viriya - Sunray Education Fund		10,630	(1,000)	0	0	9,630
Viriya - Wan Boo Sow Fund		44,857	83,983	0	6,255	135,095
VFSC - Accumulated surplus		461,042	716,522	0	0	1,177,564
WHFSC - Accumulated surplus		0	141,319	3,050,233	0	3,191,552
		<u>2,579,049</u>	<u>1,068,121</u>	<u>3,188,138</u>	<u>0</u>	<u>6,835,308</u>
TOTAL FUNDS		<u>7,797,015</u>	<u>1,629,237</u>	<u>4,720,095</u>	<u>0</u>	<u>14,146,347</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income for the year		1,391,254	1,629,237
Adjustments for:			
- Depreciation of property, plant and equipment	7	91,058	67,037
- Gain on disposal of plant and equipment	16	0	(4,000)
- Interest and dividend income		(177,423)	(139,573)
Operating cash flow before working capital changes		1,304,889	1,552,701
Changes in working capital			
- Other receivables		(232,842)	145,910
- Other payables		154,332	66,975
Net cash generated from operating activities		<u>1,226,379</u>	<u>1,765,586</u>
Cash flows from investing activities			
Acquisition of financial assets		0	(2,000,000)
Interest and dividend income received		177,423	139,573
Proceed from disposal of plant and equipment		0	9,515
Property, plant and equipment transferred from WHFSC		0	(179,965)
Purchases of property, plant and equipment	7	(22,591)	(64,208)
Net cash generated from / (used in) investing activities		<u>154,832</u>	<u>(2,095,085)</u>
Cash flows from financing activities			
Funds transferred from WHFSC		0	4,720,095
Net cash generated from financing activities		<u>0</u>	<u>4,720,095</u>
Net increase in cash and cash equivalents		1,381,211	4,390,596
Cash and cash equivalents at beginning of financial year		<u>12,289,757</u>	<u>7,899,161</u>
Cash and cash equivalents at end of financial year	4	<u>13,670,968</u>	<u>12,289,757</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1. General information

Viriya Community Services ("the Society") is registered and domiciled in Singapore. Its corporate office and registered address is at 72 Shrewsbury Road, Singapore 307837.

The Society was registered on 8 March 2001 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act (Cap 37) since 3 July 2001. The Society is a full member of the National Council of Social Service and has been accorded Institution of a Public Character ("IPC") status until 30 September 2017.

The principal activities of the Society are aimed at bringing joy and enhancing the quality of life by providing care and assistance to families and individuals in need of support regardless of race and religion. Its community projects include Dreams, LHCST – NKF Dialysis Centre, My Centre @ Moulmein, (which consolidates all programmes for the elderly including those previously carried out at Lights of Hope Centre), Viriya Children's Education Fund, Viriya Children's Medical Fund, Viriya – KK Children's Hospital HomeCare Programme, Viriya Elderly Medical Fund, Viriya Gap Fund, Viriya MediAssist Fund, Viriya Family Service Centre ("VFSC"), Whispering Hearts Family Service Centre ("WHFSC"), Whispering Hearts Child Care Centre and Whispering Hearts Student Care Centre.

There have been no significant changes in the nature of the Society's activities during the year.

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 Society'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 Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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 Society's activities. Income is recognised as follows:

2.2.1 Government grants

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

Government grants related to assets after recognition will then be reduced over the useful life of the asset in line with its depreciation.

2.2.2 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Society is allowed by the condition to expend the income.

2.2.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

2.2.4 Interest income

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

2.2.5 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.2.6 Other income

Other income is recognised when received.

2.3 Expenditure recognition

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

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition

2.3.2 Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, 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 Property, plant and equipment

2.4.1 Measurement

All 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 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.

Where the cost of an item is S\$2,000 and below, it is expensed off to revenue and expenditure account in the year of purchase unless these items are purchased for the setting up of a new office, including refurbishment of an existing office.

2.4.2 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
Furniture and fittings	3 years
Office equipment and computer	3 years
Renovation	5 years

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

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

2.4.3 Subsequent expenditure

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

2. Significant accounting policies (Cont'd)

2.4 Property, plant and equipment (Cont'd)

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

2.5 Financial assets

2.5.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are 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 are 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.

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

2.5.2 Derecognition

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

2.5.3 Impairment

The Society 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 other receivables is recognised when there is objective evidence that the Society 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 are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and 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 previously recognised impairment loss will be reversed. 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. Significant accounting policies (Cont'd)

2.6 Cash and cash equivalents

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

2.7 Financial liabilities

Financial liabilities are recognised when the Society 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 liability includes "Other payables".

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

2.8 Other payables

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

2.9 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society 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 can be reliably estimated.

2.10 Leases

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

Rental on operating lease is charged to 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. Significant accounting policies (Cont'd)

2.11 Employee compensation

2.11.1 Defined contribution plans

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

2.11.2 Employee leave entitlement

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

2.12 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2.13 Funds

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

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.14 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 Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a member of the key management personnel of the Society or of a parent of the Society;

2. Significant accounting policies (Cont'd)

2.14 Related parties (Cont'd)

- (b) An entity is related to the Society if any of the following conditions applies:
- (i) The entity and the Society 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 Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
 - (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

The Society makes estimates, assumptions and judgements concerning the future. Although these are based on the Society's best knowledge of current events and actions, actual results may ultimately differ from the resulting accounting estimates and judgements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1 Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating 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 Impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual debtor. If there are indications that the financial position of a debtor has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash on hand	3,700	3,700
Cash at banks	437,286	713,860
Fixed deposits	<u>13,229,982</u>	<u>11,572,197</u>
	<u>13,670,968</u>	<u>12,289,757</u>

Fixed deposits at the reporting date have tenures ranging from 6 months to 13 months (2015: 12 months to 18 months) and have interest rates ranging from 0.85% to 1.91% (2015: 0.70% to 1.91%) per annum.

Fixed deposits maturing more than 12 months after the reporting date are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

As at reporting date, the maturity dates of the fixed deposits fall:

	2016 S\$	2015 S\$
Within 12 months	13,229,982	9,616,116
Between 12 months to 18 months	0	1,956,081
	<u>13,229,982</u>	<u>11,572,197</u>

5. Other receivables

	2016 S\$	2015 S\$
Deposits	7,283	7,638
Grant receivables	191,858	0
Prepayments	11,054	480
Other receivables	<u>107,749</u>	<u>76,984</u>
	<u>317,944</u>	<u>85,102</u>

Other receivables are unsecured, non-interest bearing and collectible on demand.

6. Investments in financial assets

	2016 S\$	2015 S\$
Investment funds	2,000,000	2,000,000
Quoted equity shares in Singapore, at cost	<u>50,000</u>	<u>50,000</u>
	<u>2,050,000</u>	<u>2,050,000</u>

The movement of account is as follows:

	2016 S\$	2015 S\$
Balances at the beginning of year	2,050,000	50,000
Additions	0	2,000,000
Balances at end of the year	<u>2,050,000</u>	<u>2,050,000</u>

6. Investments in financial assets (Cont'd)

The investment funds pertain to United SGD Fund securities under custody of UOB Asset Management Ltd.

The equity shares pertain to Suntec Real Estate Investment Trust securities under custody of The Central Depository Pte Limited.

The values of these investments in financial assets, based on the closing prices on the last market day of the financial year, were S\$2,190,524 (2015: S\$2,111,101).

Investments in financial assets are all investment assets in Singapore.

7. Property, plant and equipment

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$	
2016					
At cost					
Furniture and fittings	66,305	7,125	(8,563)	64,867	
Office equipment and computer Renovation	98,992	(3,599)	(39,252)	56,141	
	<u>424,592</u>	<u>19,065</u>	<u>(166,851)</u>	<u>276,806</u>	
	<u>589,889</u>	<u>22,591</u>	<u>(214,666)</u>	<u>397,814</u>	
	Balance b/f S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$	
Accumulated depreciation					
Furniture and fittings	31,212	31,636	(8,563)	54,285	
Office equipment and computer Renovation	96,865	(1,472)	(39,252)	56,141	
	<u>231,564</u>	<u>60,894</u>	<u>(166,851)</u>	<u>125,607</u>	
	<u>359,641</u>	<u>91,058</u>	<u>(214,666)</u>	<u>236,033</u>	
	Balance b/f S\$			Balance c/f S\$	
Net book value					
Furniture and fittings	35,093			10,582	
Office equipment and computer Renovation	2,127			0	
	<u>193,028</u>			<u>151,199</u>	
	<u>230,248</u>			<u>161,781</u>	
	Balance b/f S\$	Transfers from WHFSC S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
2015					
At cost					
Furniture and fittings	40,246	14,078	17,496	(5,515)	66,305
Motor vehicle	38,246	0	0	(38,246)	0
Office equipment and computer Renovation	32,044	66,948	0	0	98,992
	<u>49,205</u>	<u>328,675</u>	<u>46,712</u>	<u>0</u>	<u>424,592</u>
	<u>159,741</u>	<u>409,701</u>	<u>64,208</u>	<u>(43,761)</u>	<u>589,889</u>

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

	Balance b/f S\$	Transfers from WHFSC S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$
2015 (Cont'd)					
Accumulated depreciation					
Furniture and fittings	12,357	8,582	10,273	0	31,212
Motor vehicle	38,246	0	0	(38,246)	0
Office equipment and computer	21,864	54,121	20,880	0	96,865
Renovation	28,647	167,033	35,884	0	231,564
	<u>101,114</u>	<u>229,736</u>	<u>67,037</u>	<u>(38,246)</u>	<u>359,641</u>
	Balance b/f S\$				Balance c/f S\$
Net book value					
Furniture and fittings	27,889				35,093
Motor vehicle	0				0
Office equipment and computer	10,180				2,127
Renovation	20,558				193,028
	<u>58,627</u>				<u>230,248</u>

In 2016 and 2015, additions are net of reversal of property, plant and equipment purchased in prior years that are funded by grants received in the current year. Depreciation charge is also net of reversal of the accumulated depreciation from prior years for the related property, plant and equipment.

8. Other payables

	2016 S\$	2015 S\$
Accruals	344,192	308,092
Deposits received	66,366	67,950
Deferred income	115,000	0
Funds received for restricted purposes	34,889	56,234
Other payables	102,645	76,484
	<u>663,092</u>	<u>508,760</u>

Deferred income relates to grant received from President's Challenge 2015 which has been deferred pending approval for the funds to be utilised for alternative purposes.

Funds received for restricted purposes are from ComCare Fund, Lee Foundation, Roxy Education Fund, South East CDC Grow Up Milk Fund, The Straits Times School Pocket Money Fund and The Traffic Accident Fund. The total contributions received from these funds and total disbursements to beneficiaries during the year amounted to S\$71,941 (2015: S\$88,831) and S\$93,286 (2015: S\$100,180), respectively.

Other payables are unsecured, non-interest bearing and are payable on demand.

9. Government capital fund

	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
2016				
Amount of funding received				
- Balance at beginning of year	57,029	167,549	42,787	267,365
- Received during the year	<u>0</u>	<u>102,344</u>	<u>0</u>	<u>102,344</u>
- Balance at end of year	<u>57,029</u>	<u>269,893</u>	<u>42,787</u>	<u>369,709</u>
Accumulated amortisation				
- Balance at beginning of year	(51,645)	(82,304)	(8,557)	(142,506)
- Depreciation during the year	<u>(5,384)</u>	<u>(76,218)</u>	<u>(34,230)</u>	<u>(115,832)</u>
- Balance at end of year	<u>(57,029)</u>	<u>(158,522)</u>	<u>(42,787)</u>	<u>(258,338)</u>
	<u>0</u>	<u>111,371</u>	<u>0</u>	<u>111,371</u>
2015				
Amount of funding received				
- Balance at beginning of financial year	26,924	0	0	26,924
- Transfer from WHSCC / WHFSC	30,105	60,993	0	91,098
- Received during the year	<u>0</u>	<u>106,556</u>	<u>42,787</u>	<u>149,343</u>
- Balance at end of financial year	<u>57,029</u>	<u>167,549</u>	<u>42,787</u>	<u>267,365</u>
Accumulated amortisation				
- Balance at beginning of financial year	(16,155)	0	0	(16,155)
- Transfer from WHSCC / WHFSC	(30,105)	(60,993)	0	(91,098)
- Depreciation during the year	<u>(5,385)</u>	<u>(21,311)</u>	<u>(8,557)</u>	<u>(35,253)</u>
- Balance at end of financial year	<u>(51,645)</u>	<u>(82,304)</u>	<u>(8,557)</u>	<u>(142,506)</u>
	<u>5,384</u>	<u>85,245</u>	<u>34,230</u>	<u>124,859</u>

The grants received are amortised in proportion to the depreciation of the related assets.

10. Endowment fund

	Corporate S\$	WHFSC S\$	Total S\$
2016			
Balance at beginning of year	3,632,455	1,547,807	5,180,262
Net income for the year	<u>45,813</u>	<u>21,962</u>	<u>67,775</u>
Balance at end of year	<u>3,678,268</u>	<u>1,569,769</u>	<u>5,248,037</u>
2015			
Balance at beginning of year	3,582,578	0	3,582,578
Transfer from WHFSC	0	1,531,957	1,531,957
Net income for the year	<u>49,877</u>	<u>15,850</u>	<u>65,727</u>
Balance at end of year	<u>3,632,455</u>	<u>1,547,807</u>	<u>5,180,262</u>

10. Endowment fund (Cont'd)

The fund was established to receive bequests, gifts and donations and transfer from unrestricted fund that is in excess of two years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to use the return from the investment of the Fund to launch sustainable community projects.

While the capital is not available for general use, the investment returns from the fund and or part of the capital, can be used to launch/fund community projects and initiatives where the Society can make a significant contribution and which are truly important, meaningful and in keeping with the Society's mission.

It is the Society's intention to build up an endowment fund of S\$10 million.

The balance in the fund is represented by cash and cash equivalents shown in Note 4.

11. Other restricted and designated funds

	2016 S\$	2015 S\$
Restricted		
Learn My Dialect Fund	27,655	7,445
Viriya - Wan Boo Sow Fund	221,098	135,095
VFSC - Accumulated surplus	1,691,608	1,177,564
WHFSC - Accumulated surplus	<u>3,329,978</u>	<u>3,191,552</u>
	<u>5,270,339</u>	<u>4,511,656</u>
Designated		
LHCST - NKF Dialysis Medical Fund	210,110	220,043
Viriya - Children's Medical Fund	869,186	812,697
Viriya - Elderly Medical Fund	772,006	712,243
Viriya - Gap Fund	309,038	224,587
Viriya - KPMG Scholarship Fund	175,322	166,822
Viriya - MediAssist Fund	91,105	177,630
Viriya - Sunray Education Fund	<u>8,630</u>	<u>9,630</u>
	<u>2,435,397</u>	<u>2,323,652</u>
	<u>7,705,736</u>	<u>6,835,308</u>

Except for the balances in the accounts of VFSC and WHFSC where the assets and liabilities are shown separately in the statement of financial position, the balances in the above restricted funds are represented by cash and cash equivalents shown in Note 4.

11. Other restricted and designated funds (Cont'd)

Care and share matching grant

The Society is a qualifying VWO under the Care & Share scheme, which is a national fund-raising and volunteerism movement for the social service sector. Grant income received during the year under the Care and Share scheme has been fully expensed as follows:

	2016 S\$	2015 S\$
Grant income for the year	<u>425,892</u>	<u>247,324</u>
Expenditure for the year		
- Capacity building	104,568	129,215
- Critical existing needs	39,130	0
- Capability building	26,403	7,565
- New/ enhanced programmes	<u>255,791</u>	<u>110,544</u>
	<u>425,892</u>	<u>247,324</u>

Learn My Dialect Fund

The fund is to support programmes that are aimed at promoting intergenerational bonding by facilitating communication between the elderly and the young. Details of income and expenditure during the year are as follows:

	2016 S\$	2015 S\$
Income		
Income from charitable activities		
Government funding – TOTE Board	118,161	114,517
Programme fee	<u>15,360</u>	<u>6,220</u>
Total income	<u>133,521</u>	<u>120,737</u>
Expenditure		
Cost of charitable activities		
Activities and events	7,932	3,338
Bank charges	0	11
Insurance	65	261
Maintenance	638	859
Miscellaneous expenses	134	628
Postage and courier	6	43
Printing and stationery	772	155
Professional fee	8,000	8,000
Publicity materials	124	262
Rental of equipment	700	700
Staffing costs	91,762	89,309
Supplies and materials	189	0
Telecommunication	695	685
Transportation	95	50
Utilities	1,873	1,483
Governance and other administrative costs		
Auditors' remuneration	<u>326</u>	<u>268</u>
Total expenditure	<u>113,311</u>	<u>106,052</u>
Net income for the year	<u>20,210</u>	<u>14,685</u>

11. Other restricted and designated funds (Cont'd)

LHCST NKF Dialysis Medical Fund

The fund is to support needy patients requiring dialysis treatment.

Viriya Children's Medical Fund

This fund is used to assist low-income families with children who require long-term medical attention.

Viriya Elderly Medical Fund

The fund is for supporting elderly who require appropriate medical care and assistance to age in place with dignity.

Viriya Gap fund

The fund is used to support individuals or families where assistance is unavailable from existing funds, including to support funding of children's enrichment programmes.

Viriya Children's Education Fund

The Viriya Children's Education Fund offers several scholarships and education funds to our students and clients in our programmes. There are currently two awards, the Viriya - KPMG Scholarship Fund and the Viriya Sunray Education Fund. The former is to reward children for their excellent academic achievement in school while the latter is to motivate and support the children registered in approved programmes to strive for even greater achievement in their studies.

The Viriya - Wan Boo Sow Fund is to support children's programmes run by our centres. The fund also supports school fees of children from needy families.

Viriya MediAssist Fund

The fund is a collaboration with Potong Pasir CCC. Like our other medical funds, the Viriya MediAssist Fund helps individuals with chronic medical conditions; however, it is used to benefit only residents from Potong Pasir Constituency.

12. Income tax expense

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

13. Related party transactions

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The Key management personnel for the reporting period are the Executive Director, Assistant Director and Senior Managers.

The annual remuneration of key management personnel are classified as follows:

	2016 S\$	2015 S\$
Salaries and other short-term employee benefits	571,755	330,530
Post-employment benefits – contribution to CPF	<u>81,966</u>	<u>41,965</u>
	<u>653,721</u>	<u>372,495</u>

None of the Management Committee members received remuneration for their contributions as Management Committee.

14. Remuneration of the three highest paid staff

	2016 No. of personnel	2015 No. of personnel
Remuneration band S\$100,001 to \$200,000	<u>3</u>	<u>3</u>

15. Operating lease commitments

At the reporting date, the Society has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2016 S\$	2015 S\$
Not later than one year	10,352	11,082
Later than one year but not later than five years	18,918	12,068
Later than five years	<u>3,531</u>	<u>0</u>
	<u>32,801</u>	<u>23,150</u>

16. Income	Corporate		Total S\$	WHFSC		VFSC		Total funds S\$
	Restricted funds S\$	Unrestricted funds S\$		Restricted funds S\$	Restricted funds S\$	Restricted funds S\$	Restricted funds S\$	
2016								
Income from generated funds								
Voluntary income			52,802	1,105	306			54,213
- Donations - Non tax exempt	0	52,802	52,802	1,105	306			54,213
- Donations - Tax exempt	250,355	228,870	479,225	4,688	0			483,913
Investment income	45,824	43,829	89,653	69,550	18,220			177,423
- Interest and dividend income	296,179	325,501	621,680	75,343	18,526			715,549
Income from charitable activities								
Counselling fee	0	0	0	3,740	850			4,590
Government funding								
- Capital grant	0	0	0	102,344	0			102,344
- Recurrent (MSF)	0	0	0	1,236,543	1,234,759			2,471,302
- Recurrent (NCSS)	0	0	0	65,949	65,854			131,803
- Programme	0	275,923	275,923	0	300			276,223
- Matching Grant	375,000	0	375,000	50,892	0			425,892
- TOTE Board	118,161	0	118,161	329,744	329,269			777,174
Programme fee	15,360	15,282	30,642	32,035	928			63,605
School fee	508,521	858,260	1,366,781	1,821,247	1,631,960			567,055
								4,819,988
Other income								
MOM Enhanced Employment Credit	0	85,931	85,931	106,204	48,745			240,880
Management fee	0	86,000	86,000	0	0			86,000
Miscellaneous	0	74,452	74,452	7,705	1,754			83,911
	0	246,383	246,383	113,909	50,499			410,791
Total income	804,700	1,430,144	2,234,844	2,010,499	1,700,985			5,946,328

16. Income (Cont'd)

2015

Income from generated funds

	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	Total funds S\$
Voluntary income	8,240	6,708	14,948	390	262	15,600
- Donations - Non tax exempt	461,830	312,435	774,265	8,600	0	782,865
- Donations - Tax exempt						
Investment income	49,903	35,190	85,093	47,629	6,851	139,573
- Interest and dividend income	519,973	354,333	874,306	56,619	7,113	938,038

Income from charitable activities

Counselling fee	0	0	0	5,425	700	6,125
Government funding						
- Capital grant	0	0	0	106,556	42,787	149,343
- Recurrent (MSF)	0	0	0	1,143,694	1,014,106	2,157,800
- Recurrent (NCSS)	0	0	0	86,253	73,413	159,666
- Programme	0	229,706	229,706	43,688	1,500	274,894
- Matching Grant	239,759	0	239,759	7,565	0	247,324
- TOTE Board	114,517	0	114,517	404,071	338,072	856,660
Programme fee	6,220	14,042	20,262	45,497	1,292	67,051
School fee	0	475,755	475,755	1,067	0	476,822
	360,496	719,503	1,079,999	1,843,816	1,471,870	4,395,685

Other income

Gain on disposal of property, plant and equipment	0	4,000	4,000	0	0	4,000
MOM Enhanced Employment Credit Management fee	0	60,293	60,293	71,806	29,753	161,852
Miscellaneous	0	86,000	86,000	0	0	86,000
	0	103,853	103,853	7,493	7,539	118,885
	0	254,146	254,146	79,299	37,292	370,737

Total income

	880,469	1,327,982	2,208,451	1,979,734	1,516,275	5,704,460
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17. Expenditure

2016

Cost of charitable activities

	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	Total funds S\$
Activities and events	311,863	32,579	344,442	10,785	6,222	361,449
Bank charges	114	1,110	1,224	50	32	1,306
Capacity building	85,565	0	85,565	19,003	0	104,568
Charitable expenses	25,000	16,250	41,250	0	2,000	43,250
Course and training	12,754	19,548	32,302	71,373	29,855	133,530
Depreciation of property, plant and equipment	5,384	13,862	19,246	47,575	24,237	91,058
Fund for children	0	60,603	60,603	0	0	60,603
Fund raising expenses	0	(2,200)	(2,200)	0	0	(2,200)
Insurance	65	1,110	1,175	2,156	738	4,069
Maintenance	638	8,525	9,163	1,636	3,499	14,298
Miscellaneous expenses	134	770	904	(478)	2,129	2,555
Postage and courier	6	27	33	171	14	218
Printing and stationery	772	2,910	3,682	2,586	2,399	8,667
Professional fee	8,000	664	8,664	48,000	30,000	86,664
Publicity materials	124	324	448	247	247	942
Rental of equipment	700	4,057	4,757	2,153	1,772	8,682
Rental of premises and service charges	0	11,324	11,324	21,892	12,188	45,404
Staffing costs	91,762	730,587	822,349	1,506,756	1,036,496	3,365,601
Supplies and materials	443	20,237	20,680	2,205	429	23,314
Telecommunication	695	4,393	5,088	3,201	3,370	11,659
Transportation	95	113	208	755	273	1,236
Travelling	0	0	0	26,614	16,654	43,268
Utilities	1,873	10,814	12,687	10,317	8,597	31,601
	<u>545,987</u>	<u>937,607</u>	<u>1,483,594</u>	<u>1,776,997</u>	<u>1,181,151</u>	<u>4,441,742</u>

Governance and other administrative costs

Auditors' remuneration	326	5,741	6,067	3,263	2,526	11,856
Course and training	0	578	578	0	0	578
Professional fees	0	15,340	15,340	0	0	15,340
Staffing costs	0	4,339	4,339	43,725	37,494	85,558
	<u>326</u>	<u>25,998</u>	<u>26,324</u>	<u>46,988</u>	<u>40,020</u>	<u>113,332</u>
Total expenditure	<u>546,313</u>	<u>963,605</u>	<u>1,509,918</u>	<u>1,823,985</u>	<u>1,221,171</u>	<u>4,555,074</u>

17. Expenditure (Cont'd)

2015

Cost of charitable activities

	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	Total funds S\$
Activities and events	362,626	23,257	385,883	17,151	4,036	407,070
Bank charges	127	834	961	314	77	1,352
Capacity building	129,215	0	129,215	0	0	129,215
Charitable expenses	25,000	11,548	36,548	0	2,000	38,548
Course and training	641	6,187	6,828	43,966	9,859	60,653
Depreciation of property, plant and equipment	5,385	13,503	18,888	30,970	17,179	67,037
Food for children	0	55,530	55,530	0	0	55,530
Fund raising expenses	0	144	144	12	0	156
Insurance	261	6,647	6,908	6,529	3,048	16,485
Maintenance	859	10,509	11,368	11,499	4,667	27,534
Miscellaneous expenses	628	2,476	3,104	2,495	2,007	7,606
Postage and courier	43	187	230	246	155	631
Printing and stationery	155	4,118	4,273	2,444	1,277	7,994
Professional fee	8,000	150	8,150	48,000	30,000	86,150
Publicity materials	262	1,784	2,046	1,572	874	4,492
Rental of equipment	700	4,051	4,751	2,183	1,772	8,706
Staffing costs	0	11,325	11,325	21,892	(5,157)	28,060
Supplies and materials	89,309	746,855	836,164	1,484,375	648,620	2,969,159
Telecommunication	685	14,813	14,813	876	2,042	17,731
Transportation	50	3,962	4,647	4,053	5,010	11,710
Travelling	0	65	65	585	206	841
Utilities	1,483	11,890	13,373	1,994	6,246	2,059
Van expenses	0	2,266	2,266	0	0	31,213
Women inc expenses	0	0	0	402	0	2,266
	625,429	932,101	1,557,530	1,693,152	731,918	3,982,600

Governance and other administrative costs

Auditors' remuneration	268	7,009	7,277	2,675	1,284	11,236
Course and training	0	0	0	0	0	0
Professional fees	0	3,200	3,200	41,493	32,321	78,187
Staffing costs	0	4,373	4,373	44,168	33,605	92,623
	268	14,582	14,850	88,336	67,210	170,476
Total expenditure	625,697	946,683	1,572,380	1,737,320	765,523	4,075,223

18. Staffing costs

2016	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	104,189	209,847	130,906	444,942
Salaries and bonus	718,890	1,337,017	938,661	2,994,568
Staff welfare	3,589	3,297	4,203	11,089
Staff recruitment	20	320	220	560
	<u>826,688</u>	<u>1,550,481</u>	<u>1,073,990</u>	<u>3,451,159</u>

The staff costs were allocated as follows:

- Costs of charitable activities	822,349	1,506,756	1,036,496	3,365,601
- Governance and administrative costs	4,339	43,725	37,494	85,558
	<u>826,688</u>	<u>1,550,481</u>	<u>1,073,990</u>	<u>3,451,159</u>

2015	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	106,928	196,847	83,579	387,354
Salaries and bonus	717,839	1,316,806	591,350	2,625,995
Staff welfare	10,387	12,215	5,012	27,614
Staff recruitment	5,383	0	1,000	6,383
	<u>840,537</u>	<u>1,525,868</u>	<u>680,941</u>	<u>3,047,346</u>

The staff costs were allocated as follows:

- Costs of charitable activities	836,164	1,484,375	648,620	2,969,159
- Governance and administrative costs	4,373	41,493	32,321	78,187
	<u>840,537</u>	<u>1,525,868</u>	<u>680,941</u>	<u>3,047,346</u>

19. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2016 is as follows:

		2016 S\$'000	2015 S\$'000	Increase/ (Decrease) %
A	Unrestricted funds			
	Accumulated surplus	2,473	2,006	23.28
B	Restricted and designated funds			
	Government capital fund	111	125	(11.20)
	Other restricted and designated funds	7,706	6,835	12.74
C	Endowment fund	5,248	5,180	1.31
D	Total funds	15,538	14,146	9.84
E	Total annual operating expenditure	4,555	4,075	11.78
F	Ratio of funds to annual operating expenditure (A/E)	0.54	0.49	

19. Reserve position and policy (Cont'd)

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a society 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 administrative expenditure.

The Society's reserve policy is as follows:

The Society desires to build up reserves to meet up to two years' of operating expenditure.

20. Management of conflict of interest

There is no paid staff in the Society's Management Committee.

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

21. Comparative figures

Certain reclassifications have been made to the prior year comparative figures to conform with the current year's presentation.

2015	As previously reported S\$	Reclassification S\$	As restated S\$
Note 8 - Other payables			
Deposit received	99,286	(31,336)	67,950
Funds received for restricted purposes	0	56,234	56,234
School Pocket Money Fund	24,898	(24,898)	0
	<u>124,184</u>	<u>0</u>	<u>124,184</u>
Note 11 - Other restricted and designated funds			
Restricted	0	4,511,656	4,511,656
Designated	6,835,308	(4,511,656)	2,323,652
	<u>6,835,308</u>	<u>0</u>	<u>6,835,308</u>
Note 17 - Expenditure			
Activities and events	296,526	110,544	407,070
New / Enhanced programmes	110,544	(110,544)	0
	<u>407,070</u>	<u>0</u>	<u>407,070</u>

22. Authorisation of financial statements

These financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Management Committee of the Society on 10 March 2017.