

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**  
(UEN No: S61SS0045E)

**Statement by board of directors and financial statements**

Year ended 31 December 2018

**RSM Chio Lim LLP**

8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600  
F +65 6594 7811

Audit@RSMSingapore.sg  
www.RSMSingapore.sg

UEN: T09LL0008J

RSM Chio Lim LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

**Business Advisors to Growing Businesses**



# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Statement by board of directors and financial statements

Contents	Page
Statement by board of directors .....	1
Independent auditor's report .....	3
Statements of comprehensive income .....	7
Statements of financial position .....	13
Statements of changes in funds .....	14
Consolidated statement of cash flows .....	16
Notes to the financial statements .....	17





## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### Statement by board of directors

The board of directors of Young Men's Christian Association of Singapore (the "Association") are pleased to present the accompanying financial statements of the Association and its subsidiary (the "Group") for the reporting year ended 31 December 2018.

In the opinion of the board of directors:

- (a) The accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Association as at 31 December 2018, and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and the financial performance and changes in funds of the Association for the year ended 31 December 2018; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On behalf of the board of directors,

  
.....  
Leslie Wong Kin Wah  
President

11 April 2019

  
.....  
Ho Chee Hon  
Honorary Treasurer

*This page is intentionally left blank*

**RSM Chio Lim LLP**8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

**Independent auditor's report to the members of  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**Audit@RSMSingapore.sg  
www.RSMSingapore.sg**Report on the audit of the financial statements*****Opinion***

We have audited the accompanying financial statements of Young Men's Christian Association of Singapore (the "Association") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Association as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group and statement of comprehensive income and statement of changes in funds of the Association for the reporting year then ended, and significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("SFRSs") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Association as at 31 December 2018, and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and the financial performance and changes in funds of the Association for the reporting 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 Group 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 board of directors and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



**Independent auditor's report to the members of  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

– 2 –

***Other information (cont'd)***

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Other matters***

The financial statements for the reporting year ended 31 December 2017 were audited by another independent auditor whose report dated 10 April 2018 expressed an unmodified opinion on those financial statements.

***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation and fair presentation of the financial statements and to maintain accountability of assets.

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

Those charged with governance are responsible for overseeing the Group'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.

**Independent auditor's report to the members of  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

– 3 –

***Auditor's responsibilities for the audit of the financial statements (cont'd)***

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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Independent auditor's report to the members of  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

– 4 –

**Report on other legal and regulatory requirements**

In our opinion:

- (a) The accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations; and
- (b) The fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

- (a) The Association 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 Association has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.



RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

11 April 2019  
Effective from reporting year ended 31 December 2018



**Statements of comprehensive income**  
**Year ended 31 December 2018**

7

**Statements of comprehensive income**  
**Year ended 31 December 2018**



**Statements of comprehensive income**  
**Year ended 31 December 2018**

\* Community services are made up of YMCA-Tan Chin Tuan Community Services Programmes, YMCA Project Bridge and YMCA Financial Assistance and Capability for Employment Scheme ("FACES")

9

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Statements of comprehensive income Year ended 31 December 2018

		Association										
	Note	Unrestricted			Restricted			Unrestricted			Restricted	
		General fund \$	Designated funds \$	Total \$	Restricted funds \$	2018 \$	General fund \$	Designated funds \$	Total \$	Restricted funds \$	2017 \$	
<b>Incoming resources</b>												
<b>Incoming resources from generated funds</b>												
<b>Voluntary income</b>												
Donation income		91,121	432,925	524,046	—	524,046	144,586	219,415	364,001	—	364,001	
<b>Activities for generating funds</b>												
Childcare and student care centres		9,717,570	—	9,717,570	—	9,717,570	9,527,776	—	9,527,776	—	9,527,776	
Education		402,596	—	402,596	—	402,596	399,587	—	399,587	—	399,587	
International House		5,703,126	—	5,703,126	—	5,703,126	5,874,214	—	5,874,214	—	5,874,214	
Membership and corporate activities		404,657	—	404,657	8,557	413,214	394,646	—	394,646	11,191	405,837	
Outdoor and adventure		622,859	—	622,859	—	622,859	588,306	—	588,306	—	588,306	
Fund raising events		817,105	—	817,105	—	817,105	749,785	—	749,785	—	749,785	
Other income	6	1,120,880	—	1,120,880	—	1,120,880	1,484,956	—	1,484,956	—	1,484,956	
Amortisation of building asset capitalisation reserve		114,732	—	114,732	—	114,732	114,730	—	114,730	—	114,730	
		18,994,646	432,925	19,427,571	8,557	19,436,128	19,278,586	219,415	19,498,001	11,191	19,509,192	
<b>Investment income</b>												
Interest and dividend income		566,561	—	566,561	—	566,561	361,612	—	361,612	—	361,612	
Gain on fair value of investments through profit or loss		—	—	—	—	—	43,850	—	43,850	—	43,850	
Gain on disposal of available-for-sale financial assets		—	—	—	—	—	130,722	—	130,722	—	130,722	
		19,561,207	432,925	19,994,132	8,557	20,002,689	19,814,770	219,415	20,034,185	11,191	20,045,376	
<b>Incoming resources from charitable activities</b>												
Community services *		1,513	20,213	21,726	518,079	539,805	25,064	34,311	59,375	507,972	567,347	
Volunteer and youth development programmes		399,843	—	399,843	141,289	541,132	456,779	—	456,779	80,169	536,948	
International service programmes		1,544,202	—	1,544,202	6,807	1,551,009	1,815,746	—	1,815,746	3,646	1,819,392	
		1,945,558	20,213	1,965,771	666,175	2,631,946	2,297,589	34,311	2,331,900	591,787	2,923,687	
	4	21,506,765	453,138	21,959,903	674,732	22,634,635	22,112,359	253,726	22,366,085	602,978	22,969,063	
<b>Total incoming resources</b>												

## Statements of comprehensive income

11



# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Statements of comprehensive income Year ended 31 December 2018

Note	Association						
	General fund	Unrestricted Designated funds	Total	Restricted funds	2018	General fund	Unrestricted Designated funds
	\$	\$	\$	\$	\$	\$	\$
Net (deficit)/surplus before tax	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)	968,714	(548,818)
Income tax expense	—	—	—	—	—	—	—
Net (deficit)/surplus and total comprehensive (loss)/income for the year	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)	968,714	(548,818)
Funds at beginning of year	18,664,614	9,560,281	28,224,895	1,922,755	30,147,650	19,802,050	7,999,362
Adoption of SFRS 109 (note 30)	191,924	(191,924)	—	—	—	—	—
Transfers between funds	(1,603,649)	1,344,646	(259,003)	259,003	—	(2,106,150)	1,845,673
Net movements on available-for-sale financial assets	—	—	—	—	—	—	264,064
Amortisation of building asset capitalisation reserve	—	—	—	(114,732)	(114,732)	—	(114,730)
<b>Funds at end of year</b>	<b>16,577,990</b>	<b>10,493,308</b>	<b>27,071,298</b>	<b>1,833,227</b>	<b>28,904,525</b>	<b>18,664,614</b>	<b>9,560,281</b>
						<b>28,224,895</b>	<b>1,922,755</b>
							<b>30,147,650</b>

\* Community services are made up of YMCA-Tan Chin Tuan Community Services Programmes, YMCA Project Bridge and YMCA FACES

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

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Statements of financial position As at 31 December 2018

		<u>Group</u>		<u>Association</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		\$	\$	\$	\$
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	11	5,689,092	5,777,664	5,640,227	5,757,437
<b>Total non-current assets</b>		<u>5,689,092</u>	<u>5,777,664</u>	<u>5,640,227</u>	<u>5,757,437</u>
<b><u>Current assets</u></b>					
Inventories	13	14,211	15,775	14,211	15,775
Trade and other receivables	14	1,309,402	1,781,258	4,178,293	3,415,439
Other assets	15	455,393	167,713	189,776	151,855
Other financial assets	12	9,336,596	14,900,929	9,336,596	14,900,929
Cash and cash equivalents	16	17,714,447	12,743,075	14,496,650	10,075,982
<b>Total current assets</b>		<u>28,830,049</u>	<u>29,608,750</u>	<u>28,215,526</u>	<u>28,559,980</u>
<b>Total assets</b>		<u>34,519,141</u>	<u>35,386,414</u>	<u>33,855,753</u>	<u>34,317,417</u>
<b>FUNDS AND LIABILITIES</b>					
<b><u>Unrestricted fund</u></b>					
General Fund		16,577,990	18,664,614	16,577,990	18,664,614
Capital replacement fund	17	8,967,214	7,996,171	8,967,214	7,996,171
Fair value reserves	19	–	191,924	–	191,924
Other funds	20	1,526,094	1,372,186	1,526,094	1,372,186
<b>Total unrestricted fund</b>		<u>27,071,298</u>	<u>28,224,895</u>	<u>27,071,298</u>	<u>28,224,895</u>
<b><u>Restricted funds</u></b>					
Building asset capitalisation reserve	18	1,720,955	1,835,687	1,720,955	1,835,687
Other funds	20	112,272	87,068	112,272	87,068
<b>Total restricted fund</b>		<u>1,833,227</u>	<u>1,922,755</u>	<u>1,833,227</u>	<u>1,922,755</u>
<b>Total funds</b>		<u>28,904,525</u>	<u>30,147,650</u>	<u>28,904,525</u>	<u>30,147,650</u>
<b><u>Current liabilities</u></b>					
Trade and other payables	22	3,760,879	3,327,377	3,626,231	2,866,655
Other liabilities	23	1,853,737	1,911,387	1,324,997	1,303,112
<b>Total current liabilities</b>		<u>5,614,616</u>	<u>5,238,764</u>	<u>4,951,228</u>	<u>4,169,767</u>
<b>Total liabilities</b>		<u>5,614,616</u>	<u>5,238,764</u>	<u>4,951,228</u>	<u>4,169,767</u>
<b>Total funds and liabilities</b>		<u>34,519,141</u>	<u>35,386,414</u>	<u>33,855,753</u>	<u>34,317,417</u>

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

**Statements of changes in funds  
Year ended 31 December 2018**

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

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Statements of changes in funds Year ended 31 December 2018

Association	Unrestricted			Restricted		
	Designated			Building asset capitalisation reserve		
	General fund \$	Fair value reserve \$	Capital replacement fund \$	Other funds \$	Building asset capitalisation reserve \$	Other funds \$
<b>At 1 January 2018</b>	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068
Adoption of SFRS 109 (note 28)	191,924	(191,924)	—	—	—	—
<b>At 1 January 2018, as adjusted</b>	18,856,538	—	7,996,171	1,372,186	1,835,687	87,068
<b>Changes in funds</b>						
Net deficit and total comprehensive loss for the year	(674,899)	—	—	(219,695)	—	(233,799)
Transfers during the year	(1,603,649)	—	971,043	373,603	—	259,003
Amortisation of building asset capitalisation reserve	—	—	—	—	(114,732)	—
<b>At 31 December 2018</b>	16,577,990	—	8,967,214	1,526,094	1,720,955	112,272
<b>At 1 January 2017</b>	19,802,050	(72,140)	6,773,268	1,298,234	1,950,417	110,458
<b>Changes in funds</b>						
Net surplus and total comprehensive income for the year	968,714	—	—	(548,818)	—	(283,867)
Net fair value gain on available-for-sale financial assets	—	379,712	—	—	—	—
Reclassification on disposal of available-for-sale financial assets	—	(115,648)	—	—	—	—
Transfers during the year	(2,106,150)	—	1,222,903	622,770	—	260,477
Amortisation of building asset capitalisation reserve	—	—	—	—	(114,730)	—
<b>At 31 December 2017</b>	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068

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



# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## Consolidated statement of cash flows Year ended 31 December 2018

	<u>2018</u> \$	<u>Group</u> <u>2017</u> \$
<b><u>Cash flows from operating activities</u></b>		
(Deficit)/Surplus before tax	(1,128,393)	136,029
Adjustments for:		
Depreciation of property, plant and equipment	713,039	947,379
Amortisation of building asset capitalisation reserve	(114,732)	(114,730)
Loss on disposal of property, plant and equipment	56	21,334
Assets under construction expensed off	1,950	–
Interest income	(259,422)	(130,105)
Dividend income	(308,211)	(232,147)
Gain on disposal of available-for-sale financial assets	–	(130,722)
Loss/(Gain) on fair value of investments through profit or loss	1,213,989	(43,850)
Operating surplus before changes in working capital	118,276	453,188
Inventories	1,564	(2,690)
Trade and other receivables	493,020	(435,736)
Other assets	(287,680)	190,877
Trade and other payables	433,502	697,328
Other liabilities	(57,650)	412,658
Net cash flows from operating activities	<u>701,032</u>	<u>1,315,625</u>
<b><u>Cash flows from investing activities</u></b>		
Grants received for acquisition of property, plant and equipment	112,622	421,569
Proceeds from disposal of available-for-sale financial assets	–	3,255,101
Purchase of financial assets	(7,800,907)	(12,820,484)
Proceeds from disposal of financial assets	12,151,251	793,317
Increase in cash held with external fund manager	(4,689,933)	(1,251,326)
Purchase of property, plant and equipment	(739,094)	(465,661)
Interest received	238,257	113,704
Dividend received	308,211	232,147
Net cash flows used in investing activities	<u>(419,593)</u>	<u>(9,721,633)</u>
<b>Net decrease in cash and cash equivalents</b>	281,439	(8,406,008)
Cash and cash equivalents at beginning of the year	11,491,749	19,897,757
<b>Cash and cash equivalents at end of the year (note 16)</b>	<u>11,773,188</u>	<u>11,491,749</u>

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



## **YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

### **Notes to the financial statements Year ended 31 December 2018**

#### **1. General**

The Young Men's Christian Association of Singapore (the "Association") is an association registered in Singapore under the Societies Act, Chapter 311 (the "Societies Act"). The Association is a member of the National Council of Social Service (the "NCSS"). It was granted the status of an Institution of a Public Character ("IPC") (IPC Registration No. IPC000399) under the Charities Act, Chapter 37 (the "Charities Act") until 31 December 2018, following which it was renewed for another 2.5 years and is valid until 30 June 2021.

The financial statements of the Association and its subsidiary (the "Group") are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of the statement by the board of directors.

The principal activities of the Association consist of community services, education and childcare services, sports and recreation and running of an international house.

The subsidiary, YMCA Education Centre Limited ("YMCA Education Centre"), was incorporated in Singapore on 21 September 2010 under the Companies Act, Chapter 50 as a company limited by guarantee. The principal activities of YMCA Education Centre are the provision of non-higher and higher education programmes. YMCA Education Centre has been registered under the Enhanced Registration Framework with the Committee for Private Education for a period of four years and was valid until 11 October 2018, following which it was renewed for another four years and is valid until 11 October 2022. YMCA Education Centre was also given the EduTrust award which is valid until 15 December 2019. RSM Chio Lim LLP are the independent auditors of the subsidiary.

The address of registered office and principal place of operation of the Association is at One Orchard Road, Singapore 238824.

#### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("SFRSs") and the related interpretations to SFRS ("INT SFRS") as issued by the Singapore Accounting Standards Council. They are also in compliance with the provisions of the Societies Act and the Charities Act.

#### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

## **YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

### **1. General (cont'd)**

#### **Basis of preparation of financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make 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 revenues and expenses during the reporting year. Actual results could differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

#### **Basis of presentation**

The consolidated financial statements of the Group include the financial statements made up to the end of the reporting year of the Association and its subsidiary. The consolidated financial statements are the financial statements of the Group presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted for in accordance with the financial reporting standard on financial instruments.

### **2. Significant accounting policies and other explanatory information**

#### **2A. Significant accounting policies**

##### **Revenue recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Revenue recognition (cont'd)

###### Service income

Education and course fee, childcare, student care and other service income are recognised over the period in which the services are rendered.

Revenue from International House are recognised when the services are rendered.

Management fee income of the Association is recognised when the services are rendered.

###### Donations

Revenue from donations are accounted for when received, except for committed donations that are recognised when the commitments are signed.

###### Interest income

Interest is recognised using the effective interest method.

###### Dividend income

Dividend from equity instruments is recognised in profit or loss only when the right to receive payment of the dividend is established, it is probable the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

###### Rental income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

##### **Gifts in kind**

A gift-in-kind (if any) is included in the statement of comprehensive income based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

##### **Government and other grants**

A grant is recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. Grant related to assets is deducted in calculating the carrying amount of the asset and therefore the grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expenses.

## **YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2A. Significant accounting policies (cont'd)**

##### **Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

##### **Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

##### **Income tax**

As an approved charity under the Charities Act, the Association is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134. In respect of other entities in the Group, income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).



**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Property, plant and equipment**

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold land and building	– 2%
Plant and machinery	– 12.5% to 20%
Renovation	– 6.25% to 20%
Computer equipment	– 20% to 33.3%
Office equipment	– 20%
Furniture and fittings	– 20%
Computer software	– 33.3%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Leases**

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

**Subsidiaries**

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the Association's separate financial statements, investment in subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange. The subsidiary is a company limited by guarantee and does not have share capital. As a result, there is no cost of investment.

**Inventories**

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.



**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

**Financial instruments**

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Financial instruments (cont'd)

###### Classification and measurement of financial assets

- (i) Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is: (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

- (ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI")

There were no financial assets classified in this category at reporting year end date.

- (iii) Financial asset that is an equity investment measured at FVTOCI

There were no financial assets classified in this category at reporting year end date.

- (iv) Financial asset classified as measured at FVTPL

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

###### Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances:

- (i) The liabilities are managed, evaluated and reported internally on a fair value basis; or
- (ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

##### Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.



**2. Significant accounting policies and other explanatory information (cont'd)**

**2A. Significant accounting policies (cont'd)**

**Derivative financial instruments**

A derivative financial instrument is a financial instrument with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

**Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g., by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

**2. Significant accounting policies and other explanatory information (cont'd)**

**2B. Other explanatory information**

**Provisions**

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

**Funds**

All income and expenditures are reflected in the statement of comprehensive income. Income and expenditures specifically relating to any of the funds separately set up by the Association are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**2C. Critical judgements, assumptions and estimation uncertainties**

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.



**2. Significant accounting policies and other explanatory information (cont'd)**

**2C. Critical judgements, assumptions and estimation uncertainties (cont'd)**

Assessment of impairment of trade receivables

The trade receivables are subject to the expected credit loss ("ECL") model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

Assessment of useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amounts of the Group's class of assets at the end of the reporting year affected by the assumption are disclosed in note 11.

**3. Related party relationships and transactions**

The financial reporting standard on related party disclosures requires the reporting entity to disclose:

- (i) Transactions with its related parties; and
- (ii) Relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.

A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the directors and key management of the Association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the directors and the direct reporting senior members.

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 3. Related party relationships and transactions (cont'd)

All members of the Board of Directors and key management of the Association are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Board of Directors and key management are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the Board of Directors, and whose remuneration each exceeds \$50,000 during the year.

#### 3A. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

##### Significant related party transactions

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following.

	<u>Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Donation income from subsidiary	47,664	65,044
Management fee income from subsidiary	825,986	1,271,823
Rental income and other charges from subsidiary	<u>37,541</u>	<u>48,795</u>

#### 3B. Key management compensation

	<u>2018</u>	<u>2017</u>
	\$	\$
Salaries and other short-term employee benefits	889,059	833,277
Number of key management personnel	<u>6</u>	<u>4</u>

The above amounts are included under resources expended.

Included in salaries and other short-term employee benefits is severance pay of \$Nil (2017: \$49,915).

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 3. Related party relationships and transactions (cont'd)

#### 3B. Key management compensation (cont'd)

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of key management personnel classified by remuneration bands are as follows:

	<u>2018</u> \$	<u>2017</u> \$
\$100,001 to \$200,000	6	3
\$200,001 and above	<u>-</u>	<u>1</u>

#### 3C. Other receivables from and other payables to related parties

Movements in other receivables from and other payables to related parties are as follows:

	<u>2018</u> \$	<u>Subsidiary</u> <u>2017</u> \$
At beginning of year	1,636,301	943,062
Amounts paid out and settlement of liabilities on behalf of related party	<u>1,232,655</u>	<u>693,239</u>
At end of year (note 14)	<u>2,868,956</u>	<u>1,636,301</u>



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 4. Total incoming resources

Included in total incoming resources are the following items:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Student and childcare subsidy from Ministry of Social and Family Development ("MSF")	2,416,073	2,302,169	2,416,073	2,302,169
Care and share matching grant (note 23A)	—	23,630	—	23,630
Project Bridge Vocational and Soft Skills Programme grant				
- from NCSS	229,542	168,899	229,542	168,899
- from Barclays Bank PLC Singapore Branch	141,440	176,660	141,440	176,660
Project Bridge Enhanced Step-Up grant				
- from NCSS	5,512	15,505	5,512	15,505
- from MSF	18,355	80,739	18,355	80,739
Youth Expedition Project ("YEP") funding from National Youth Council ("NYC") (note 14)	323,210	548,480	323,210	548,480
Project Elevate grant				
- from NCSS	140,569	80,169	140,569	80,169
Youth Corps Singapore ("YCS") funding from NYC	6,358	2,459	6,358	2,459
Citi-Youth For Causes				
- from Citibank	352,760	368,990	352,760	368,990
Wage credit scheme	248,838	195,013	240,981	186,906

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 5. Donation and fundraising income

In accordance with the Charities (Institutions of a Public Character) Regulations, the Group is required to disclose fund-raising appeals with gross receipts of more than \$1,000,000.

There are no fund-raising appeals with gross receipts of more than \$1,000,000 during the reporting years ended 31 December 2017 and 2018.

### 6. Other income

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Management fee income	—	—	825,968	1,271,823
Rental	182,130	62,427	182,130	62,427
Sundries	318,051	269,512	112,782	150,706
	<u>500,181</u>	<u>331,939</u>	<u>1,120,880</u>	<u>1,484,956</u>

### 7. Total resources expended

Included in total resources expended are the following items:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Cleaning expenses	336,976	301,380	336,976	301,380
Commission	1,601,623	1,678,957	405,363	410,733
Contract security	214,014	217,669	214,014	217,669
Donation to overseas	3,910	11,779	3,910	11,779
Depreciation on property, plant and equipment (note 11)	713,039	947,379	705,732	930,709
Education related expenses	1,119,002	1,097,909	1,038,318	1,015,838
Food and beverages	300,187	328,134	300,187	328,134
Instructor/coach fees	217,211	240,878	217,211	240,878
Insurance	124,779	127,907	124,779	108,149
International service programmes fee	1,188,121	1,450,046	1,188,121	1,450,046
IT expenses	249,943	187,129	240,743	181,129
License and rental	131,996	307,576	131,996	258,612
Outdoor and adventure expenses	456,143	421,191	456,143	421,191
Programme course fees	661,858	589,720	661,858	589,720
Property tax	256,500	277,875	256,500	277,875
Repairs and maintenance	282,708	388,621	282,248	387,821
Utilities	320,596	324,872	320,596	324,872
Employee benefits expenses (note 8)	<u>14,852,069</u>	<u>14,594,919</u>	<u>14,391,530</u>	<u>14,170,219</u>

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 8. Employee benefits expenses

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Salaries and related costs	13,305,702	13,008,067	12,894,376	12,634,762
Contributions to defined contribution plan	1,546,367	1,586,852	1,497,154	1,535,457
	<u>14,852,069</u>	<u>14,594,919</u>	<u>14,391,530</u>	<u>14,170,219</u>

## 9. Income tax

### 9A. Components of tax expense recognised in profit or loss

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Current tax</u>		
Current tax expense	—	—
Adjustments in respect of prior years	—	—
	<u>—</u>	<u>—</u>

The income tax expense in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax statutory rate of 17% (2017: 17%) to surplus before tax as a result of the following differences:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
(Deficit)/Surplus before tax	(1,128,393)	136,029	(1,128,393)	136,029
Income tax (benefit)/expense at statutory rate	(191,827)	23,125	(191,827)	23,125
Non-deductible items	(19,541)	(12,583)	—	—
Exemptions	191,827	(23,125)	191,827	(23,125)
Unrecognised deferred tax assets	19,541	12,583	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

### 9B. Deferred tax in profit or loss

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Excess of book value of plant and equipment over tax value	297	976	—	—
Donations carryforward	(19,838)	(13,559)	—	—
Unrecognised deferred tax assets	19,541	12,583	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 9. Income tax (cont'd)

#### 9C. Deferred tax in statement of financial position

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
<u>Deferred tax liabilities</u>				
Excess of net book value of plant and equipment over tax value	(1,273)	(976)	—	—
	<u>(1,273)</u>	<u>(976)</u>	<u>—</u>	<u>—</u>
<u>Deferred tax assets</u>				
Donations carryforward	852,079	832,241	—	—
Unrecognised deferred tax assets	(850,806)	(831,265)	—	—
	<u>1,273</u>	<u>976</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

No deferred tax asset has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable. The realisation of the future income tax benefits from donations carryforward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The Association is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

### 10. Tax exempt donations

The Association received tax exempt donations amounting to \$878,931 (2017: \$828,095) during the reporting year.

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 11. Property, plant and equipment

Group	Leasehold land and building	Plant and machinery	Renovation	Computer equipment	Office equipment	Furniture and fittings	Computer software	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>									
At 1 January 2017	12,079,195	1,374,153	5,339,174	500,977	399,750	607,969	336,236	36,906	20,674,360
Additions	–	16,980	23,492	49,490	8,595	30,118	133,451	203,535	465,661
Grants received/receivable	–	–	(224,981)	(3,560)	(2,240)	(27,474)	(163,314)	–	(421,569)
Disposals	–	(30,000)	(38,567)	(1,051)	(6,328)	(21,472)	–	–	(97,418)
Reclassifications	–	–	16,185	–	5,933	(5,933)	45,863	(62,048)	–
At 31 December 2017	12,079,195	1,361,133	5,115,303	545,856	405,710	583,208	352,236	178,393	20,621,034
Additions	–	23,359	604,505	30,580	8,773	21,172	46,280	4,425	739,094
Grants received/receivable	–	–	(23,880)	–	–	(13,582)	(75,160)	–	(112,622)
Disposals	–	(420)	(266,250)	–	(1,480)	(3,540)	–	(1,950)	(273,640)
Reclassifications	–	–	111,804	–	–	22,460	37,180	(171,444)	–
At 31 December 2018	12,079,195	1,384,072	5,541,482	576,436	413,003	609,718	360,536	9,424	20,973,866
<u>Accumulated depreciation</u>									
At 1 January 2017	7,725,914	455,769	4,409,928	313,904	324,227	470,925	271,409	–	13,972,076
Depreciation for the year	241,583	161,754	340,547	93,079	21,793	38,092	50,531	–	947,379
Disposals	–	(27,500)	(25,952)	(1,051)	(7,869)	(13,713)	–	–	(76,085)
At 31 December 2017	7,967,497	590,023	4,724,523	405,932	338,151	495,304	321,940	–	14,843,370
Depreciation for the year	241,584	160,033	146,313	84,062	23,248	35,153	22,646	–	713,039
Disposals	–	(364)	(266,250)	–	(1,480)	(3,541)	–	–	(271,635)
At 31 December 2018	8,209,081	749,692	4,604,586	489,994	359,919	526,916	344,586	–	15,284,774
<u>Carrying value</u>									
At 1 January 2017	4,353,281	918,384	929,246	187,073	75,523	137,044	64,827	36,906	6,702,284
At 31 December 2017	4,111,698	771,110	390,780	139,924	67,559	87,904	30,296	178,393	5,777,664
At 31 December 2018	3,870,114	634,380	936,896	86,442	53,084	82,802	15,950	9,424	5,689,092

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 11. Property, plant and equipment (cont'd)

<u>Association</u>	<u>Leasehold land and building</u> \$	<u>Plant and machinery</u> \$	<u>Renovation</u> \$	<u>Computer equipment</u> \$	<u>Office equipment</u> \$	<u>Furniture and fittings</u> \$	<u>Computer software</u> \$	<u>Assets under construction</u> \$	<u>Total</u> \$
<u>Cost</u>									
At 1 January 2017	12,079,195	1,374,153	5,339,174	478,219	396,747	593,894	264,236	36,906	20,562,524
Additions	–	16,980	12,732	44,670	8,595	25,868	133,451	203,535	445,831
Grants received/receivable	–	–	(224,981)	(3,560)	(2,240)	(27,474)	(163,314)	–	(421,569)
Disposals	–	(30,000)	(38,567)	(1,051)	(6,328)	(20,847)	–	–	(96,793)
Reclassifications	–	–	16,185	–	5,933	(5,933)	45,863	(62,048)	–
At 31 December 2017	12,079,195	1,361,133	5,104,543	518,278	402,707	565,508	280,236	178,393	20,489,993
Additions	–	23,359	588,105	14,500	5,310	21,171	46,280	4,425	703,150
Grants received/receivable	–	–	(23,880)	–	–	(13,582)	(75,160)	–	(112,622)
Disposals	–	(420)	(266,250)	–	(1,480)	(3,350)	–	(1,950)	(273,450)
Reclassifications	–	–	111,804	–	–	22,460	37,180	(171,444)	–
At 31 December 2018	12,079,195	1,384,072	5,514,322	532,778	406,537	592,207	288,536	9,424	20,807,071
<u>Accumulated depreciation</u>									
At 1 January 2017	7,725,913	455,769	4,409,928	294,493	321,417	458,377	211,409	–	13,877,306
Depreciation for the year	241,583	161,754	339,471	90,196	21,600	37,574	38,531	–	930,709
Disposals	–	(27,500)	(25,952)	(1,051)	(7,869)	(13,087)	–	–	(75,459)
At 31 December 2017	7,967,496	590,023	4,723,447	383,638	335,148	482,864	249,940	–	14,732,556
Depreciation for the year	241,584	160,033	143,341	81,409	22,671	34,048	22,646	–	705,732
Disposals	–	(364)	(266,250)	–	(1,480)	(3,350)	–	–	(271,444)
At 31 December 2018	8,209,080	749,692	4,600,538	465,047	356,339	513,562	272,586	–	15,166,844
<u>Carrying value</u>									
At 1 January 2017	4,353,282	918,384	929,246	183,726	75,330	135,517	52,827	36,906	6,685,218
At 31 December 2017	4,111,699	771,110	381,096	134,640	67,559	82,644	30,296	178,393	5,757,437
At 31 December 2018	3,870,115	634,380	913,784	67,731	50,198	78,645	15,950	9,424	5,640,227



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 11. Property, plant and equipment (cont'd)

Depreciation expense is charged in statement of comprehensive income under:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Childcare and student care centres	82,159	100,179	82,159	100,179
Education	14,059	32,660	6,754	15,989
International house	106,305	93,470	106,304	93,470
Membership and corporate activities	19,038	18,433	19,037	18,434
Other operating expenses	465,627	670,612	465,627	670,612
Charitable Activities	25,851	32,025	25,851	32,025
	<u>713,039</u>	<u>947,379</u>	<u>705,372</u>	<u>930,709</u>

The land is leased for 999 years commencing from November 1902. No capital sum was paid for the lease.

The grants utilised for the acquisition of property, plant and equipment consist of Care and Share matching grant (note 23A) amounting to \$75,160 (2017: \$385,695), Start-up Grant amounting to \$15,087 (2017: \$4,080), MSF Funding amounting to \$Nil (2017: \$31,794) and grant from BCA amounting to \$22,375 (2017: Nil), respectively.

Included in computer software are staff costs capitalised amounting to \$Nil (2017: \$89,959) for the implementation of accounting and customer relationship management systems.

### 12. Other financial assets

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Equity instruments (quoted) – available-for-sale	–	1,805,125
Debt instruments (quoted) – available-for-sale	–	1,024,787
Equity instruments (quoted) – at FVTPL	3,434,596	6,595,816
Debt instruments (quoted) – at FVTPL	5,854,660	5,402,812
Derivative financial instruments (note 12B)	47,340	72,389
	<u>9,336,596</u>	<u>14,900,929</u>

The Group appoints an external fund manager to invest and manage its surplus funds in accordance with the guidelines set out by the Group. There is also an investment committee. The investment committee reports to the Board of Directors on the investment strategy and performance of the Group. The external fund manager has been given full discretionary mandate subject to the Group's investment guidelines, and reports the investment holdings and performance to the Group on a regular basis.

As at 31 December 2018, debt instruments comprise corporate bonds with interest rates ranging from 2.75% to 4.00% (2017: 2.75% to 4.00%) per annum and maturity dates ranging from 30 June 2019 to 23 August 2027 (2017: 30 June 2019 to 8 November 2019).



# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 12. Other financial assets (cont'd)

### 12A. Movements in fair value of financial assets measured at FVTPL

	<u>2018</u> \$	<u>2017</u> \$
At beginning of year	12,071,017	–
Reclassification arising from adoption of SFRS 109 (#)	2,829,912	–
At beginning of year, as adjusted	14,900,929	–
Additions	7,800,907	12,820,484
Disposals	(12,151,251)	(793,317)
Loss on disposals through profit or loss for investments in financial assets	(258,916)	(34,577)
(Decrease)/Increase in fair value through profit or loss for investments in financial assets	(955,073)	78,427
At end of year	<u>9,336,596</u>	<u>12,071,017</u>

(#) Investments in financial assets that were previously designated as available-for-sale were re-designated to financial assets at FVTPL upon adoption of SFRS 109. Accordingly, the amounts previously recorded in fair value reserve have been reclassified to retained earnings on 1 January 2018.

### 12B. Derivative financial instruments

	<u>Group and Association</u> <u>2018</u> \$	<u>2017</u> \$
<u>Derivatives with positive fair value</u>		
Forward currency contracts	<u>47,340</u>	<u>72,389</u>

The above contracts are transacted by external asset manager to hedge foreign currency exposure arising from the investments in overseas assets. These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

<u>2018</u>	<u>Notional</u> <u>amount</u> \$	<u>Termination date</u>	<u>Fair value</u> <u>gain/(loss)</u> \$
Forward currency contract – SGD/CAD	473,975	25 January 2019	22,971
Forward currency contract – SGD/CHF	225,417	22 February 2019	76
Forward currency contract – SGD/EUR	1,441,680	1 February 2019	12,994
Forward currency contract – SGD/GBP	114,766	1 February 2019	2,103
Forward currency contract – SGD/HKD	777,054	22 February 2019	1,467
Forward currency contract – SGD/JPY	594,434	15 January 2019	(11,441)
Forward currency contract – SGD/USD	5,438,242	15 February 2019	19,170
			<u>47,340</u>

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 12. Other financial assets (cont'd)

### 12B. Derivative financial instruments (cont'd)

<u>2017</u>	<u>Notional amount</u> \$	<u>Termination date</u>	<u>Fair value</u> <u>gain/(loss)</u> \$
Forward currency contract – SGD/CAD	413,127	26 January 2018	(1,967)
Forward currency contract – SGD/CHF	511,969	15 February 2018	5,539
Forward currency contract – SGD/EUR	1,257,443	2 February 2018	(5,145)
Forward currency contract – SGD/HKD	739,985	15 February 2018	11,761
Forward currency contract – SGD/JPY	719,368	9 February 2018	8,606
Forward currency contract – SGD/USD	4,248,080	9 February 2018	53,595
			<u>72,389</u>

The above contracts have maturity dates within one year.

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 12. Other financial assets (cont'd)

### 12C. Disclosures relating to financial assets measured at FVTPL

The following information provides a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

<u>Nature</u>	<u>Industry</u>	<u>Location</u>	<u>Level</u>	<u>2018</u> \$	<u>2017</u> \$	<u>2018</u> %	<u>2017</u> %
Equity instruments (quoted)	Oil and gas	Australia	1	—	230,532	—	1
Equity instruments (quoted)	Chemical	Europe	1	165,081	—	2	—
Equity instruments (quoted)	Construction	Europe	1	150,723	—	2	—
Equity instruments (quoted)	Financial services	Europe	1	233,870	346,408	3	2
Equity instruments (quoted)	Manufacturing	Europe	1	—	238,237	—	2
Equity instruments (quoted)	Oil and gas	Europe	1	215,797	220,491	2	1
Equity instruments (quoted)	Pharmaceuticals	Europe	1	—	201,972	—	1
Equity instruments (quoted)	Power and electrical	Europe	1	424,481	249,686	4	2
Equity instruments (quoted)	Wholesale and retail	Europe	1	—	132,357	—	1
Equity instruments (quoted)	Telecommunication	Europe	1	—	437,305	—	3
Equity instruments (quoted)	Financial services	Hong Kong	1	220,245	258,400	2	2
Equity instruments (quoted)	Manufacturing	Hong Kong	1	—	274,272	—	2
Equity instruments (quoted)	Properties	Hong Kong	1	220,480	—	2	—
Equity instruments (quoted)	Telecommunication	Hong Kong	1	—	209,928	—	1
Equity instruments (quoted)	Financial services	Japan	1	258,883	442,268	3	3
Equity instruments (quoted)	Manufacturing	Japan	1	175,411	—	2	—
Equity instruments (quoted)	Properties	Japan	1	154,071	—	2	2
Equity instruments (quoted)	Financial services	Singapore	1	—	265,350	—	2
Equity instruments (quoted)	Offshore and marine	Singapore	1	—	390,845	—	2
Equity instruments (quoted)	Properties	Singapore	1	—	177,870	—	1
Equity instruments (quoted)	Telecommunication	Singapore	1	—	1,855,795	—	12
Equity instruments (quoted)	Manufacturing	Taiwan	1	—	478,380	—	3
Equity instruments (quoted)	Financial services	Canada	1	384,611	243,782	4	2
Equity instruments (quoted)	Oil and gas	Canada	1	218,641	227,723	2	1
Equity instruments (quoted)		Canada	1	212,508	186,824	2	1



YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

12. Other financial assets (cont'd)

12C. Disclosures relating to financial assets measured at FVTPL (cont'd)

<u>Nature</u>	<u>Industry</u>	<u>Location</u>	<u>Level</u>	<u>2018</u> \$	<u>2017</u> \$	<u>2018</u> %	<u>2017</u> %
Equity instruments (quoted)	Oil and gas	United States	1	281,066	—	3	—
Equity instruments (quoted)	Pharmaceutical	United States	1	—	448,196	—	3
Equity instruments (quoted)	Power and electrical	United States	1	118,727	250,259	1	2
Equity instruments (quoted)	Pulp and paper	United States	1	—	232,328	—	1
Equity instruments (quoted)	Technology	United States	1	—	237,786	—	2
Equity instruments (quoted)	Wholesale and retail	United States	1	—	163,947	—	1
Debt instruments (quoted)	Financial services	Australia	1	250,425	256,050	3	2
Debt instruments (quoted)	Financial services	Cayman Islands	1	395,704	398,053	4	3
Debt instruments (quoted)	Financial services	Europe	1	525,257	531,432	6	4
Debt instruments (quoted)	Manufacturing	Korea	1	262,820	262,001	3	2
Debt instruments (quoted)	Airline	Singapore	1	245,592	252,540	3	2
Debt instruments (quoted)	Financial services	Singapore	1	1,550,620	1,592,033	17	11
Debt instruments (quoted)	Investment fund	Singapore	1	191,897	539,238	2	4
Debt instruments (quoted)	Offshore and marine	Singapore	1	756,240	770,485	8	5
Debt instruments (quoted)	Properties	Singapore	1	500,007	253,387	5	2
Debt instruments (quoted)	E-Commerce	United States	1	396,174	399,797	4	3
Debt instruments (quoted)	Financial services	United States	1	411,364	402,784	4	3
Debt instruments (unquoted)	Investment fund	Europe	3	368,560	769,799	4	5
Derivative financial instruments			2	47,341	72,389	1	—
				<u>9,336,596</u>	<u>14,900,929</u>	<u>100</u>	<u>100</u>

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 12. Other financial assets (cont'd)

#### 12D. Fair value measurements (Level 2) recognised in statement of financial position

The unquoted bonds are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price. The valuation technique uses market observable inputs.

The fair value of forward currency contracts is based on the current value of the difference between the contractual exchange rate and the market rate at end of reporting year. The valuation technique uses market observable inputs.

#### 12E. Sensitivity analysis for price risk of equity and debts securities at FVTPL

There are investments in equity and debts securities. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The effect of a sensitivity analysis is as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
A hypothetical 10% increase in market index of quoted equity and debts securities at FVTPL would have an effect on fair value of	<u>892,070</u>	<u>840,094</u>

For similar price decreases in fair value of the above financial assets, there would be comparable impacts in the opposite direction.

This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

### 13. Inventories

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Inventories, comprising gifts and souvenirs for resale	<u>14,211</u>	<u>15,775</u>
Amount of inventories included in resources expended	<u>5,957</u>	<u>7,646</u>

There are no inventories pledged as security for liabilities.

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 14. Trade and other receivables

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
<u>Trade receivables</u>				
Outside parties	308,253	153,567	308,253	153,567
Less: Allowance for impairment	(56,821)	(56,821)	(56,821)	(56,821)
	<u>251,432</u>	<u>96,746</u>	<u>251,432</u>	<u>96,746</u>
<u>Other receivables</u>				
Subsidiary (note 3)	–	–	2,868,956	1,636,301
Event advances	99,241	185,163	99,241	185,163
Grants receivable	561,011	1,370,998	561,011	1,370,998
Interest receivable	19,074	8,379	19,074	8,379
Interest receivable – held by external fund manager	35,774	25,305	35,774	25,305
Other receivables	342,870	94,667	342,805	92,547
	<u>1,057,970</u>	<u>1,684,512</u>	<u>3,926,861</u>	<u>3,318,693</u>
	<u>1,309,402</u>	<u>1,781,258</u>	<u>4,178,293</u>	<u>3,415,439</u>

Movements in allowance for trade receivables are as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
At beginning of year	56,821	14,754
Waiver of student fees	–	42,067
At end of year	<u>56,821</u>	<u>56,821</u>

The trade receivables are subject to the ECL model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 14. Trade and other receivables (cont'd)

The loss allowance was determined as follows:

<u>Group and Association</u>	<u>Gross amount</u>		<u>ECL rate</u>		<u>Loss allowance</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$			\$	\$
<u>Trade receivables</u>						
Current	93,295	45,948	–	–	–	–
1 to 30 days past due	166,756	13,707	11.83%	–	19,728	–
31 to 60 days past due	10,709	3,476	44.72%	–	4,789	–
Over 60 days past due	37,493	90,436	86.16%	62.83%	32,304	56,821
	<u>308,253</u>	<u>153,567</u>			<u>56,821</u>	<u>56,821</u>

During the year, the Group and Association recognised waiver of student fees amounting to \$Nil (2017: \$42,067) which is included in fee income from childcare and student care centres.

At each subsequent reporting date, an evaluation is made as to whether there is significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at reporting date (based on modified cash flows). Adjustment to loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to customers is between 14 to 30 days (2017: 14 to 30 days). However, certain customers may take a longer period to settle the amounts.

There is no concentration of credit risk with respect to trade receivables as there are a large number of customers.

Other receivables at amortised cost set out above are subject to the ECL model under the financial reporting standard on financial instruments. Other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12-month ECL because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made as to whether there is significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at reporting date (based on modified cash flows). Adjustment to loss allowance is made for any increase or decrease in credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity. Other receivables due from related companies are regarded to be of low credit risk if they are guaranteed by the parent or a related company with the ability to settle the amount. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 14. Trade and other receivables (cont'd)

Grants receivable comprise the following:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
YEP funding	240,236	478,539
Care and Share matching grant	290,000	875,000
Others	30,775	17,459
	<u>561,011</u>	<u>1,370,998</u>

YEP funding is the funding provided by NYC to support youths from educational institutions and registered organisations to embark on service learning projects that involve communities in Singapore, Asean, China and India. Movements in YEP funding receivables are as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
At beginning of year	478,539	400,413
Less: Grants received	(561,513)	(470,354)
Add: Grants utilised (note 4)	323,210	548,480
At end of year	<u>240,236</u>	<u>478,539</u>

### 15. Other assets

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Prepayments	379,743	82,141	116,631	68,788
Deposits to secure services	75,650	85,572	73,145	83,067
	<u>455,393</u>	<u>167,713</u>	<u>189,776</u>	<u>151,855</u>

### 16. Cash and cash equivalents

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Not restricted in use	8,000,189	7,766,308	4,782,392	5,099,215
Fixed deposits	3,772,999	3,725,441	3,772,999	3,725,441
	<u>11,773,188</u>	<u>11,491,749</u>	<u>8,555,391</u>	<u>8,824,656</u>
Cash and cash equivalents held with external fund manager	5,941,259	1,251,326	5,941,259	1,251,326
	<u>17,714,447</u>	<u>12,743,075</u>	<u>14,496,650</u>	<u>10,075,982</u>

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 16. Cash and cash equivalents (cont'd)

The rate of interest for the cash on interest earning balances ranged from 0.08% to 1.73% (2017: 0.45% to 1.28%) per annum.

### 16A. Cash and cash equivalents in statement of cash flows

	<u>Group</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Amount as set out above	17,714,447	12,743,075
Cash and cash equivalents held with external fund manager	(5,941,259)	(1,251,326)
	<u>11,773,188</u>	<u>11,491,749</u>

### 17. Capital replacement fund

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
At beginning of year	7,996,171	6,773,268
Transfers from general fund	1,655,882	1,712,580
Amount utilised during the year	(684,839)	(489,677)
At end of year	<u>8,967,214</u>	<u>7,996,171</u>

Capital replacement fund is established for capital replacement purpose by allocating 9% of current year's revenue derived from International House, Childcare and Student Care Centres and Education Centre.

### 18. Building asset capitalisation reserve

Designated donations for the renovation/construction of the YMCA building are credited to the building asset capitalisation reserve. These amounts are recognised in comprehensive income over the period necessary to match the depreciation on the portion of the certification of the renovation/construction funded by such donation.



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 19. Fair value reserve

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$'000	\$'000
At beginning of year	191,924	(72,140)
Adoption of SFRS 109 (note 28)	(191,924)	—
At beginning of year, as adjusted	—	(72,140)
Net fair value gain on available-for-sale financial assets	—	379,712
Reclassification on disposal of available-for-sale financial assets	—	(115,648)
At end of year	<u>—</u>	<u>191,924</u>

Fair value reserve represents the cumulative fair value changes of available-for-sale financial instruments until they are disposed of or impaired.

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 20. Other funds

<u>Group and Association</u>	<u>At beginning of year</u> \$	<u>Receipts</u> \$	<u>Expenses</u> \$	<u>Transfers between funds</u> \$	<u>At end of year</u> \$
<u>2018</u>					
<u>Unrestricted Funds – Designated</u>					
Community Service Fund	–	303,138	(633,619)	373,603	43,122
YMCA FACES	156,305	–	(39,214)	–	117,091
YMCA-Lim Kim San – Volunteers Programme Fund	1,115,881	–	–	–	1,115,881
YMCA-Robert Loh Social Services Internship	100,000	–	–	–	100,000
YMCA- Tan Chin Tuan – Youth Mentorship Pathways Initiative	–	150,000	–	–	150,000
	1,372,186	453,138	(672,833)	373,603	1,526,094
<u>Restricted Funds</u>					
Disaster Relief Fund	4,920	–	(4,920)	–	–
ISP Project Fund	18,464	6,807	(11,567)	–	13,704
Project Bridge Fund	–	518,079	(777,082)	259,003	–
Rebuilding Community Programme @ Dujiangyan Fund	22,907	–	(12,080)	–	10,827
YMCA – Seet Hiong Kiat and Kuah Siew Eng Education Fund	8,526	–	–	–	8,526
ITE Elevate Fund	29,443	141,289	(94,710)	–	76,022
Club accounts	2,808	8,557	(8,172)	–	3,193
	87,068	674,732	(908,531)	259,003	112,272
	1,459,254	1,127,870	(1,581,364)	632,606	1,638,366

# YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

## 20. Other funds (cont'd)

Group and Association	At beginning of year \$	Receipts \$	Expenses \$	Transfers between funds \$	At end of year \$
<u>2017</u>					
<u>Unrestricted Funds – Designated</u>					
Community Service Fund	–	153,726	(776,496)	622,770	–
YMCA FACES	182,353	–	(26,048)	–	156,305
YMCA-Lim Kim San – Volunteers Programme Fund	1,115,881	–	–	–	1,115,881
YMCA-Robert Loh Social Services Internship	–	100,000	–	–	100,000
	1,298,234	253,726	(802,544)	622,770	1,372,186
<u>Restricted Funds</u>					
Disaster Relief Fund	28,098	–	(23,178)	–	4,920
ISP Project Fund	26,979	3,646	(12,161)	–	18,464
Project Bridge Fund	–	507,972	(768,449)	260,477	–
Rebuilding Community Programme @ Dujiangyan Fund	33,476	–	(10,569)	–	22,907
YMCA – Seet Hiong Kiat and Kuah Siew Eng Education Fund	18,575	–	(10,049)	–	8,526
ITE Elevate Fund	–	80,169	(50,726)	–	29,443
Club accounts	3,330	11,191	(11,713)	–	2,808
	110,458	602,978	(886,845)	260,477	87,068
	1,408,692	856,704	(1,689,389)	883,247	1,459,254



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 20. Other funds (cont'd)

Community Service Fund is set up for the purpose of funding YMCA Community Services.

YMCA FACES seeks to provide short-term supplementary financial aid to needy families and to address the growing need for employment of people with special needs by providing meaningful work training attachment opportunities.

YMCA-Lim Kim San – Volunteers Programme Fund is set up for the purpose of promoting volunteerism and to recruit, retain and motivate volunteers.

YMCA-Robert Loh Social Service Internship for tertiary students aims to promote social causes, increase talent pool for the social service sector and inculcate Christian ethos and values of giving and serving the community.

YMCA- Tan Chin Tuan – Youth Mentorship Pathways Initiative is set up to provide both preventive and corrective care to children and youth, offering an integrated approach to nurture their wholesome development.

Disaster Relief Fund is set up for the purpose of supporting volunteer relief and rehabilitation works undertaken by the Association from time to time.

ISP Project Fund is set up for the International Service Programme and it is to be used for future projects.

Project Bridge Fund supports Project Bridge programmes that aim to provide personal development and counselling for early school-leavers and youths-at-risk.

Rebuilding Community Programme @ Dujiangyan Fund is set up for the purpose of supporting the Association's rebuilding community programmes in Sichuan, China.

YMCA – Seet Hiong Kiat and Kuah Siew Eng Education Fund is set up to provide educational sponsorship for needy international students who desire to pursue higher education but do not have adequate means to do so.

ITE Elevate Fund is to engage, equip and empower disadvantaged students from ITE towards completing their education and improving their prospects for employment or future education. This programme contributes to an increase in overall resilience to cope with stresses and reduction of risk behaviours for youth who are at risk.

Clubs accounts are maintained for YMCA clubs involved in activities.

### 21. Reserve policy

The Group has set aside reserves to provide financial stability and the means for development of the Group's principal activities. The Group targets for an optimum of three years of operating reserves. The reserve ratio stands at 0.7 (2017: 0.8) as at the reporting date.

In addition, the Group has set aside a percentage of its surpluses for large scale asset renewal as capital replacement fund (note 17). This reserve is critical for capital asset renewal purpose.

The Board of Directors regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Group's continuing obligations and to support its operations.

The Group is not subject to externally imposed fund requirements.

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

There were no changes to the Group's approach to reserves management during the year.

### 22. Trade and other payables

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
<u>Trade payables</u>				
Outside parties and accrued expenses	2,812,954	2,776,624	2,678,306	2,315,902
<u>Other payables</u>				
Deposits payables	947,925	550,753	947,925	550,753
	<u>3,760,879</u>	<u>3,327,377</u>	<u>3,626,231</u>	<u>2,866,655</u>

### 23. Other liabilities

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Care and Share matching grant (note 23A)	409,307	484,467	409,307	484,467
Other grants received in advance	167,739	212,362	167,739	212,362
Fees received in advance	1,276,691	1,214,558	747,951	606,283
	<u>1,853,737</u>	<u>1,911,387</u>	<u>1,324,997</u>	<u>1,303,112</u>

#### 23A. Care and Share matching grant

Care and Share matching grant represents the matched dollar-to-dollar funding by the government in celebration of SG50 to build capabilities and capacities of the social service sector. Movements in deferred Care and Share matching grant are as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
At beginning of year	484,467	243,792
Add: Grants received/receivable	—	650,000
Less: Grants utilised for qualifying expenses (note 4)	—	(23,630)
Less: Grants utilised for enhancement of assets (note 11)	(75,160)	(385,695)
At end of year	<u>409,307</u>	<u>484,467</u>

### 24. Capital commitments

Estimated amounts committed at end of reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Commitments to purchase property, plant and equipment	<u>242,143</u>	<u>687,122</u>

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 25. Operating lease payment commitments – as lessee

At end of reporting year, total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
Not later than one year	82,562	48,948	69,227	37,068
Later than one year and not later than five years	162,901	72,571	152,438	55,709
	<u>245,463</u>	<u>121,519</u>	<u>221,665</u>	<u>92,777</u>
Rental expense for the year	<u>194,458</u>	<u>228,731</u>	<u>177,521</u>	<u>208,551</u>

Operating lease payments are for rental payable for certain plant and equipment. The lease rental terms are negotiated for an average term of 5 years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

### 26. Operating lease income commitments – as lessor

At end of reporting year, total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
Not later than one year	300,045	164,565
Later than one year and not later than five years	266,055	325,530
	<u>566,100</u>	<u>490,095</u>
Rental income for the year	<u>276,640</u>	<u>62,427</u>

Operating lease income commitments are for certain premises. The lease rental income terms are negotiated for an average term of two years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 27. Financial instruments: information on financial risks

#### 27A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>Group</u>		<u>Association</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	\$	\$	\$	\$
<u>Financial assets</u>				
Financial assets at amortised cost	19,023,849	14,524,333	18,674,943	13,491,421
Financial assets at FVTPL	9,336,596	12,071,017	9,336,596	12,071,017
Debt instrument (quoted) – available-for-sale	–	1,024,787	–	1,024,787
Equity instrument (quoted) – available-for-sale	–	1,805,125	–	1,805,125
	<u>28,360,445</u>	<u>29,425,262</u>	<u>28,011,539</u>	<u>28,392,350</u>
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<u>3,760,879</u>	<u>3,327,377</u>	<u>3,626,231</u>	<u>2,866,655</u>

Further quantitative disclosures are included throughout these financial statements.

#### 27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The Group has undertaken certain practices for the management of financial risks based on acceptable market practice.

There have been no changes to the exposures to risks; the objectives, policies and processes for managing the risks and the methods used to measure the risks.

The Group maintains positions in a variety of financial instruments in accordance with its investment objectives and guidelines.

The Group's investment committee is tasked with the responsibility to review the investment operations of the Association and to make appropriate investment decisions. The investment committee works within the guidelines of the Association's investment policy.

The investment committee meets regularly to assess and review the risks as well as performance of the investments.

#### 27C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

**27. Financial instruments: information on financial risks (cont'd)**

**27D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For ECL on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day one loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 16 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

**27E. Liquidity risk**

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 60 days (2017: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows) are equivalent to the financial liabilities disclosed in note 27A and are all due in less than one year.



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 27. Financial instruments: information on financial risks (cont'd)

#### 27F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial assets. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<u>Group and Association</u>	
	<u>2018</u>	<u>2017</u>
	\$	\$
<u>Financial assets with interests</u>		
Fixed rates	15,179,107	10,529,112
Floating rates	413,734	404,267
	<u>15,592,841</u>	<u>10,933,379</u>

The floating rate debt asset instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on surplus for the year relating to floating interest rate fluctuations is not significant.

#### 27G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e., in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

<u>Group and Association</u>	<u>JPY</u>	<u>HKD</u>	<u>USD</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>2018</u>						
<u>Financial assets</u>						
Cash and cash equivalents	247	–	9,180	651	2,672	12,750
Other financial assets	<u>576,924</u>	<u>442,281</u>	<u>3,505,978</u>	<u>880,677</u>	<u>776,472</u>	<u>6,182,332</u>
	<u>577,171</u>	<u>442,281</u>	<u>3,515,158</u>	<u>881,328</u>	<u>779,144</u>	<u>6,195,082</u>
<u>2017</u>						
<u>Financial assets</u>						
Cash and cash equivalents	–	–	37,570	217,659	575	255,804
Other financial assets	<u>716,224</u>	<u>754,361</u>	<u>4,733,398</u>	<u>1,152,238</u>	<u>1,317,724</u>	<u>8,673,945</u>
	<u>716,224</u>	<u>754,361</u>	<u>4,770,968</u>	<u>1,369,897</u>	<u>1,318,299</u>	<u>8,929,749</u>



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 27. Financial instruments: information on financial risks (cont'd)

#### 27G. Foreign currency risk (cont'd)

##### Sensitivity analysis

	<u>2018</u>	<u>2017</u>
	\$	\$
A hypothetical 10% increase in exchange rate of functional currency S\$ against JPY would have an adverse effect on fair value	(57,717)	(71,622)
A hypothetical 10% increase in exchange rate of functional currency S\$ against HKD would have an adverse effect on fair value	(44,228)	(75,436)
A hypothetical 10% increase in exchange rate of functional currency S\$ against USD would have an adverse effect on fair value	(351,516)	(477,097)
A hypothetical 10% increase in exchange rate of functional currency S\$ against EUR would have an adverse effect on fair value	<u>(88,133)</u>	<u>(136,990)</u>

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For a similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction.

The hypothetical in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out without taking into consideration hedged transactions.

#### 27H. Price risk of equity and debt instruments

These are investments in equity and debts instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the equity and debts securities. Note 12 discloses the fair values of these equity and debts securities as well as sensitivity analysis.

### 28. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

##### SFRS No.   Title

SFRS 109	Financial instruments
SFRS 115	Revenue from Contracts with Customers

## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 29. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS 116	Leases (and Leases – Illustrative Examples and Amendments to Guidance on Other Standards)	1 January 2019
INT SFRS 123	Uncertainty over Income Tax Treatments	1 January 2019
SFRS 12	Improvements (2017) – Amendments: Income Taxes	1 January 2019

### 30. Comparative figures

The financial statements for the reporting year ended 31 December 2017 were audited by another independent auditor (other than RSM Chio Lim LLP) whose report dated 10 April 2018 expressed an unmodified opinion on those financial statements.

Certain reclassifications were made to the statement of financial position as at 31 December 2017 of the Group and the Association to enhance comparability with the current year's presentation. These include the following:

<u>Group</u>	<u>After reclassification \$</u>	<u>Before reclassification \$</u>	<u>Difference \$</u>
Available-for-sale financial assets, non-current	–	2,829,912	(2,829,912)
Fair value through profit or loss financial assets, current	–	12,096,322	(12,096,322)
Other financial assets, current	14,900,929	–	14,900,929
Trade and other receivables	1,781,258	1,755,953	25,305
Prepayments	–	82,141	(82,141)
Deposits	–	85,572	(85,572)
Other assets	167,713	–	167,713
Fixed deposits	–	3,725,441	(3,725,441)
Cash and cash equivalents	12,743,075	9,017,634	3,725,441
Trade and other payables	3,327,377	5,238,764	(1,911,387)
Other liabilities	1,911,387	–	1,911,387



## YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

### 30. Comparative figures (cont'd)

<u>Association</u>	<u>After</u> <u>reclassification</u> \$	<u>Before</u> <u>reclassification</u> \$	<u>Difference</u> \$
Available-for-sale financial assets, non-current	–	2,829,912	(2,829,912)
Fair value through profit or loss financial assets, current	–	12,096,322	(12,096,322)
Other financial assets, current	14,900,929	–	14,900,929
Trade and other receivables	3,415,439	1,753,833	1,661,606
Prepayments	–	68,788	(68,788)
Deposits	–	83,067	(83,067)
Other assets	151,855	–	151,855
Amounts due from subsidiary	–	1,636,301	(1,636,301)
Fixed deposits	–	3,725,441	(3,725,441)
Cash and cash equivalents	10,075,982	6,350,541	3,725,441
Trade and other payables	2,866,655	4,169,767	(1,303,112)
Other liabilities	1,303,112	–	1,303,112

The reclassifications set out above do not have an impact on the accumulated fund of the Group and the Association as at 1 January 2017.

In addition, the standard on financial instruments contains requirements for the classification and measurement of financial assets and financial liabilities, impairment, hedge accounting and derecognition. It requires all recognised financial assets to be subsequently measured at amortised cost or fair value (through profit or loss or through other comprehensive income), depending on their classification. For financial liabilities, it also has requirements to cases where the fair value option is taken. For impairment of financial assets, it introduces an ECL model; recognition of a credit loss should no longer wait for there to be objective evidence of impairment. For hedge accounting, it allows financial statements to better reflect how risk management activities are undertaken when hedging financial and non-financial risk exposures. Prior reporting periods need not be restated. The Group may restate prior periods if, and only if, it is possible without the use of hindsight. Therefore, the standard has been applied for the reporting year ended 31 December 2018 only. As the Group does not restate prior periods, it has recognised the difference, if any, between the previous carrying amount and the carrying amount at 1 January 2018 in the opening accumulated fund. The details of the adjustments to opening account balances as at 1 January 2018 are as follows:

<u>Group and Association</u>	<u>At</u> <u>1 January 2018</u> \$	<u>At</u> <u>31 December 2017</u> \$	<u>Difference</u> \$
General fund	18,856,538	18,664,614	191,924
Fair value reserve	–	191,924	(191,924)
Financial assets classified as available-for-sale	–	2,829,912	(2,829,912)
Financial asset at FVTPL	2,829,912	–	2,829,912

Financial assets classified as available-for-sale and measured at FVTOCI in the previous year that should be measured at FVTPL under the new standard amounted to \$2,829,912. The Group has applied the new standard to these items that existed at 1 January 2018 in accordance with the transition requirements. Accordingly, the Group has recognised the cumulative effect of initial application as an adjustment to opening fund at 1 January 2018.



