

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**


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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

STATEMENT BY BOARD OF DIRECTORS

In the opinion of the Board of Directors, the consolidated financial statements of Young Men's Christian Association of Singapore (the "Association") and its subsidiary (collectively, the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in general and specific funds of the Association as set out on pages 4 to 36 are properly drawn up so as to give a true and fair view of the state of affairs of the Group and of the Association as at 31 December 2014, and the results of the operation, changes in general and specific funds of the Group and of the Association and cash flows of the Group for the financial year ended on that date.

On behalf of the Board of Directors,


STEPHEN LOH SUR YONG
President

Singapore, - 7 APR 2015


TAN SZE WEE
Treasurer



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE (UEN: S61SS0045E)
AND ITS SUBSIDIARY**

Report on the Financial Statements

We have audited the accompanying financial statements of Young Men's Christian Association of Singapore (the "Association") and its subsidiary (collectively, the "Group"), which comprise the statements of financial position of the Group and of the Association as at 31 December 2014, and the statements of comprehensive income, statements of changes in general and specific funds of the Group and of the Association and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 36.

Management's Responsibilities for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Cap. 37, the Societies Act, Cap. 311 and Singapore Financial Reporting Standards, 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 of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in general and specific funds of the Association are properly drawn up in accordance with the provisions of the Charities Act, Cap. 37, the Societies Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Association as at 31 December 2014 and the results, changes in general and specific funds of the Group and of the Association and cash flows of the Group for the financial year ended on that date.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE (UEN: S61SS0045E)
AND ITS SUBSIDIARY**

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the above regulations to be kept by the Association and its subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with those regulations.

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

- a) the Association has not complied with the requirements of regulation 15 (Fundraising expenses) of the Charities Regulations.
- b) the donation monies received have not been used in accordance with the Association's objectives.

A handwritten signature in black ink that reads 'Kreston David Yeung Pac'.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

- 7 APR 2015

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2014

		GROUP		ASSOCIATION	
		2014	2013	2014	2013
ASSETS	Note	S\$	S\$	S\$	S\$
Non-Current Assets					
Property, Plant and Equipment	3	7,639,080	8,270,588	7,556,451	8,224,423
Available-for-Sale Financial assets	4	7,161,673	7,350,919	7,161,673	7,350,919
Total non-current assets		14,800,753	15,621,507	14,718,124	15,575,342
Current assets					
Inventories		19,057	19,328	19,057	19,328
Receivables	5	1,104,428	884,620	1,076,878	819,257
Prepayments		272,943	61,358	54,938	58,131
Deposits		40,927	41,801	38,424	39,296
Amount due from a subsidiary	6	-	-	342,712	-
Fixed deposits	7	12,146,997	10,599,316	12,146,997	10,599,316
Cash and Bank Balances	8	3,893,832	2,692,789	3,332,239	2,190,777
Total Current Assets		17,478,184	14,299,212	17,011,245	13,726,105
Total Assets		32,278,937	29,920,719	31,729,369	29,301,447
FUNDS AND LIABILITIES					
Funds					
Unrestricted Funds					
Accumulated Fund		18,350,955	17,125,166	18,350,955	17,125,166
Capital Replacement Fund		5,782,419	4,943,524	5,782,419	4,943,524
Fair Value Reserve		577,116	96,676	577,116	96,676
Other Funds	9	1,763,007	1,598,972	1,763,007	1,598,972
Restricted Funds					
Building Asset Capitalisation Reserve		2,179,878	2,294,608	2,179,878	2,294,608
Other Funds	9	178,454	188,221	178,454	188,221
Club Accounts	10	5,463	5,376	5,463	5,376
Total Funds		28,837,292	26,252,543	28,837,292	26,252,543
Current Liabilities					
Payables and accruals	11	3,441,645	3,668,176	2,892,077	2,877,779
Amount due to a subsidiary	6	-	-	-	171,125
Total Liabilities		3,441,645	3,668,176	2,892,077	3,048,904
Total Funds and Liabilities		32,278,937	29,920,719	31,729,369	29,301,447

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2014**

GROUP

	Note	Unrestricted Funds S\$	Restricted Funds S\$	2014 Total S\$	2013 Total S\$
Incoming Resources					
Incoming Resources from Generated Funds					
<i>Voluntary Income</i>					
Donations		573,739	-	573,739	519,330
<i>Activities for Generating Funds</i>					
Child Care and Student Care Centres		5,735,689	-	5,735,689	4,899,845
Education Centre		4,284,269	-	4,284,269	3,783,757
International House		6,183,016	-	6,183,016	6,368,463
Membership Fees and Activities		495,797	-	495,797	477,374
Outdoor and Adventure		626,178	-	626,178	693,781
Donations (Fund Raising Events)		1,095,671	-	1,095,671	816,499
Other Income	12	958,003	-	958,003	530,262
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	114,730
		20,067,092	-	20,067,092	18,204,041
<i>Investment Income</i>					
Interest and Dividend Income		452,572	-	452,572	304,234
Net fair value gain on disposal of available-for-sale financial assets		1,449	-	1,449	312,558
		20,521,113	-	20,521,113	18,820,833
Incoming Resources from Charitable Activities					
Community Services *		279,099	-	279,099	449,496
Volunteer and Youth Development Programmes		441,755	-	441,755	109,091
International Programmes		1,566,367	-	1,566,367	1,613,300
		2,287,221	-	2,287,221	2,171,887
TOTAL INCOMING RESOURCES	13	22,808,334	-	22,808,334	20,992,720
Less: Resources Expended					
Costs of Generating Funds					
Child Care and Student Care Centres		5,149,867	-	5,149,867	4,405,601
Education Centre		1,634,157	-	1,634,157	1,211,620
International House		6,374,776	-	6,374,776	6,428,718
Membership Activities		811,083	-	811,083	875,684
Outdoor and Adventure		644,757	-	644,757	650,306
Donations (Fund Raising Events)		394,261	-	394,261	215,830
Other Operating Expenses		1,271,454	-	1,271,454	1,028,644
		16,280,355	-	16,280,355	14,816,403
Resources Expended on Charitable Activities					
Community Services *		1,642,785	-	1,642,785	1,437,279
Volunteer and Youth Development Programmes		1,026,083	-	1,026,083	615,276
International Programmes		1,522,828	-	1,522,828	1,560,822
		4,191,696	-	4,191,696	3,613,377
Governance Costs		86,232	-	86,232	69,648
TOTAL RESOURCES EXPENDED	13	20,558,283	-	20,558,283	18,499,428
Net incoming resources before other recognised losses		2,250,051	-	2,250,051	2,493,292
Less: Other recognised losses					
Loss on disposal of property, plant and equipment		(21,332)	-	(21,332)	(1,700)
Net movement in funds before taxation		2,228,719	-	2,228,719	2,491,592
Less: Taxation	15	-	-	-	-
Net movement in funds after taxation		2,228,719	-	2,228,719	2,491,592
Fund balances at beginning of the year		23,764,338	2,488,205	26,252,543	24,059,179
Net movement in specific funds	Page 7	480,440	(124,410)	356,030	(298,228)
Fund balances at end of the year	Note 21	26,473,497	2,363,795	28,837,292	26,252,543

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

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

**STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2014**

		ASSOCIATION			
	Note	Unrestricted Funds S\$	Restricted Funds S\$	2014 Total S\$	2013 Total S\$
Incoming Resources					
Incoming Resources from Generated Funds					
<i>Voluntary Income</i>					
Donations		1,309,409	-	1,309,409	1,095,283
<i>Activities for Generating Funds</i>					
Child Care and Student Care Centres		5,735,689	-	5,735,689	4,899,845
International House		6,367,847	-	6,367,847	6,413,590
Membership Fees and Activities		495,797	-	495,797	477,374
Outdoor and Adventure		626,178	-	626,178	693,781
Donations (Fund Raising Events)		1,095,671	-	1,095,671	816,499
Other Income	12	2,689,169	-	2,689,169	2,483,458
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	114,730
		18,434,490	-	18,434,490	16,994,560
<i>Investment Income</i>					
Interest and Dividend Income		451,017	-	451,017	302,095
Net fair value gain on disposal of available-for-sale financial assets		1,449	-	1,449	312,558
		18,886,956	-	18,886,956	17,609,213
Incoming Resources from Charitable Activities					
Community Services *		279,099	-	279,099	449,496
Volunteer and Youth Development Programmes		441,755	-	441,755	109,091
International Programmes		1,566,367	-	1,566,367	1,613,300
		2,287,221	-	2,287,221	2,171,887
TOTAL INCOMING RESOURCES	13	21,174,177	-	21,174,177	19,781,100
Less: Resources Expended					
Costs of Generating Funds					
Child Care and Student Care Centres		5,149,867	-	5,149,867	4,405,601
International House		6,374,776	-	6,374,776	6,428,718
Membership Activities		811,083	-	811,083	875,684
Outdoor and Adventure		644,757	-	644,757	650,306
Donations (Fund Raising Events)		394,261	-	394,261	215,830
Other Operating Expenses		1,271,454	-	1,271,454	1,028,644
		14,646,198	-	14,646,198	13,604,783
Resources Expended on Charitable Activities					
Community Services *		1,642,785	-	1,642,785	1,437,279
Volunteer and Youth Development Programmes		1,026,083	-	1,026,083	615,276
International Programmes		1,522,828	-	1,522,828	1,560,822
		4,191,696	-	4,191,696	3,613,377
Governance Costs		86,232	-	86,232	69,648
TOTAL RESOURCES EXPENDED	13	18,924,126	-	18,924,126	17,287,808
Net incoming resources before other recognised losses		2,250,051	-	2,250,051	2,493,292
Less: Other recognised losses					
Loss on disposal of property, plant and equipment		(21,332)	-	(21,332)	(1,700)
Net movement in funds		2,228,719	-	2,228,719	2,491,592
Fund balances at beginning of the year		23,764,338	2,488,205	26,252,543	24,059,179
Net movement in specific funds	Page 8	480,440	(124,410)	356,030	(298,228)
Fund balances at end of the year	Note 21	26,473,497	2,363,795	28,837,292	26,252,543

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

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
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CONSOLIDATED STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS
For the financial year ended 31 December 2014

	General Fund S\$	Capital Replacement Fund S\$	Fair Value Reserve S\$	GROUP Building Asset Capitalisation Reserve S\$	Other Funds S\$	Club Accounts S\$	Total S\$
Balance at 01.01.2013	15,332,938	1,828,060	259,463	4,781,669	1,851,444	5,605	24,059,179
Net surplus for the year							
-Unrestricted funds	2,491,592	-	-	-	-	-	2,491,592
-Restricted funds	-	-	-	-	(20,482) *	(229) *	(20,711)
Net fair value gains on available- for-sale financial assets recognised directly in fund	-	-	(162,787) #	-	-	-	(162,787)
Transfers during the year	(699,364) #	3,115,464 #	-	(2,372,331) *	(43,769) #	-	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	(114,730) *	-	-	(114,730)
Balance at 31.12.2013/01.01.2014	17,125,166	4,943,524	96,676	2,294,608	1,787,193	5,376	26,252,543
Net surplus for the year							
-Unrestricted funds	2,228,719	-	-	-	-	-	2,228,719
-Restricted funds	-	-	-	-	(9,767) *	87 *	(9,680)
Net fair value gains on available- for-sale financial assets recognised directly in fund	-	-	480,440 #	-	-	-	480,440
Transfers during the year	(1,002,930) #	838,895 #	-	-	164,035 #	-	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	(114,730) *	-	-	(114,730)
Balance at 31.12.2014	18,350,955	5,782,419	577,116	2,179,878	1,941,461	5,463	28,837,292
					Note 9	Note 10	

Net movement in unrestricted funds S\$480,440 (2013: S\$2,209,544)

* Net movement in restricted funds (S\$124,410) [2013: (S\$2,507,772)]

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
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CONSOLIDATED STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS
For the financial year ended 31 December 2014

	General Fund S\$	Capital Replacement Fund S\$	Fair Value Reserve S\$	ASSOCIATION Building Asset Capitalisation Reserve S\$	Other Funds S\$	Club Accounts S\$	Total S\$
Balance at 01.01.2013	15,332,938	1,828,060	259,463	4,781,669	1,851,444	5,605	24,059,179
Net surplus for the year							
-Unrestricted funds	2,491,592	-	-	-	-	-	2,491,592
-Restricted funds	-	-	-	-	(20,482) *	(229) *	(20,711)
Net fair value gains on available- for-sale financial assets recognised directly in fund	-	-	(162,787) #	-	-	-	(162,787)
Transfers during the year	(699,364) #	3,115,464 #	-	(2,372,331) *	(43,769) #	-	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	(114,730) *	-	-	(114,730)
Balance at 31.12.2013/01.01.2014	17,125,166	4,943,524	96,676	2,294,608	1,787,193	5,376	26,252,543
Net surplus for the year							
-Unrestricted funds	2,228,719	-	-	-	-	-	2,228,719
-Restricted funds	-	-	-	-	(9,767) *	87 *	(9,680)
Net fair value gains on available- for-sale financial assets recognised directly in fund	-	-	480,440 #	-	-	-	480,440
Transfers during the year	(1,002,930) #	838,895 #	-	-	164,035 #	-	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	(114,730) *	-	-	(114,730)
Balance at 31.12.2014	18,350,955	5,782,419	577,116	2,179,878	1,941,461	5,463	28,837,292
					Note 9	Note 10	

Net movement in unrestricted funds S\$480,440 (2013: S\$2,209,544)

* Net movement in restricted funds (S\$124,410) [2013: (S\$2,507,772)]

The notes set out on pages 10 to 36 form an integral part of and should be
read in conjunction with this set of financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
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**CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2014**

	2014 S\$	2013 S\$
Cash flows from operating activities		
Net surplus for the year	2,228,719	2,491,592
Adjustments for: -		
Depreciation of property, plant and equipment	1,516,160	1,514,302
Amortisation of Building Asset Capitalisation Reserve	(114,730)	(114,730)
Bad debts written off	-	600
Loss on disposal of property, plant and equipment	21,332	1,700
Interest and dividend income	(462,684)	(304,234)
Net fair value gain on disposal of available-for-sale financial assets	(1,449)	(312,558)
Operating surplus before working capital changes	3,187,348	3,276,672
Decrease/(Increase) in inventories	271	(2,809)
(Decrease)/Increase in receivables, prepayments and deposits	(45,997)	60,277
Decrease in payables and accruals	(461,531)	(226,372)
Cash generated from operations	2,680,091	3,107,768
Net cash generated from other funds: -		
Other specific funds	(9,767)	(20,482)
Club activities	87	(229)
Net cash generated from operating activities	2,670,411	3,087,057
Cash flows from investing activities		
Proceeds from disposal of available-for-sale financial assets	690,260	4,098,000
Purchase of available-for-sale financial assets	(19,125)	(4,112,061)
Proceeds from disposal of property, plant and equipment	-	105,813
Purchase of property, plant and equipment	(1,052,484)	(608,522)
Fixed deposits subject to restriction	(213)	(182)
Grants received	-	64,431
Interest and dividend received	459,662	302,665
Net cash generated from/(used in) investing activities	78,100	(149,856)
Net increase in cash and cash equivalents	2,748,511	2,937,201
Cash and cash equivalents at beginning of year	13,210,363	10,273,162
Cash and cash equivalents at end of year	15,958,874	13,210,363
Cash and cash equivalents comprise:-		
Cash and bank balances	3,893,832	2,692,789
Fixed deposits	12,146,997	10,599,316
	16,040,829	13,292,105
Less: Fixed deposits subject to restriction	(81,955)	(81,742)
	15,958,874	13,210,363

The notes set out on pages 10 to 36 form an integral part of and should be read in conjunction with this set of financial statements.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

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

1. GENERAL

Young Men's Christian Association of Singapore (the "Association") is registered in Singapore under the Societies Act and the Charities Act. The principal activities of the Association consist of community services, education and child care services, sports and recreation and running of an international house. The Association is a member of National Council of Social Service. The Association has been registered as an Institute of Public Character since year 2001 and valid until 30 September 2016.

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

The subsidiary, YMCA Education Centre Limited, was incorporated in the Republic of Singapore on 21 September 2010 under the Companies Act, Chapter 50 as a company limited by guarantee.

The principal activities of the subsidiary are the provision of non-higher and higher education programmes. The subsidiary has been registered under the Enhanced Registration Framework with Council for Private Education for a period of 4 years and is valid until 11 October 2018. The subsidiary was also given the EduTrust award which is valid from 16 December 2011 to 15 December 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in general and specific funds of the Association have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRSs").

In the current financial year, the Group adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual period beginning on or after 1 January 2014. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Critical assumptions used and accounting estimates in applying accounting policies

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on straight-line basis over their estimated useful lives. Management estimated the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

Critical judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management has made the following judgements that have significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Allowance for credit losses

The Group makes allowances for credit losses based on assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of credit losses requires the use of judgement and estimates. Where the expected outcome is different from original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate had been changed.

c) Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
(UEN: S61SS0045E)
AND ITS SUBSIDIARY**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Basis of Consolidation

Pooling of interests method

For business combinations outside the scope of FRS 103 i.e. business combination involving companies under common control, pooling of interests method is used.

Under merger accounting, the assets, liabilities, revenue, expenses and cash flows of all the entities within the Group are combined after making such adjustments as are necessary to achieve consistency of accounting policies. The comparative figures for the preceding financial years have been presented on similar basis. This manner of presentation reflects the economic substance of the combining companies, which are under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsiary relationships were not established until after the acquisition date.

e) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the cost of these assets over their estimated useful lives as follows: -

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

System not ready to use is not depreciated until this asset is available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Property, Plant and Equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the assets is included in profit or loss in the year the asset is derecognised.

f) Government Grants

A government grant is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

Asset-related grants are deducted from the cost of acquisition of the asset to arrive at the carrying amount which is then depreciated in accordance with the accounting policy on property, plant and equipment and depreciation.

g) Inventories

Inventories comprising goods like gift and souvenirs for resale, are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis.

h) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Impairment losses are recognised in profit or loss.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:-

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in the fair value reserve within fund, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in fair value reserve fund is reclassified from fair value reserve to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Assets (Continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in fair value reserve within fund is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

j) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and at bank and fixed deposits net of fixed deposits subject to restriction which form part of the Group's cash management that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

k) Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost (Continued)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidences of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from fund and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in fund.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Group.

m) Unrestricted/Restricted Funds

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 profit or loss over the period necessary to match the depreciation on the portion of the certification of the renovation/construction funded by such donations.

Capital Replacement Fund

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

Club Accounts

Club accounts are maintained for clubs involved in various activities. Income and expenditure of the clubs are taken directly to the club accounts.

n) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Financial Liabilities (Continued)

Derecognition

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

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Income is recognised on the following basis: -

- i) *Donations* –when money is received or pledged and collection is certain
- ii) *Education and Child and Student Care* - over the period of instruction and care given to the student and child
- iii) *Income from courses* – over the period of course
- iv) *Interest* - using the effective interest method
- v) *Dividend* – when the Group's right to receive payment is established
- vi) *Rental* – on a straight-line basis over the lease terms
- vii) *Other services* - when services are rendered

r) Employee Benefits

Defined Contribution Plans

The Group makes contribution to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions are recognised as an expense in the period in which the related service is performed.

Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it is accrued to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

s) Foreign Currency Transactions

Functional and Presentation Currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The financial statements of the Group are presented in Singapore dollar, which is the functional currency of the Association.

Transactions and Balances

Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rates of exchange ruling at the end of reporting period. Exchange differences arising from such transactions are taken to profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

t) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

u) Taxation

Income tax on the profit or loss for the period comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous period.

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

v) Related Parties

A related party is defined as follows:-

- (a) A person or a close member of that person's family is related to the group if that person:
 - (i) Has control or joint control over the group;
 - (ii) Has significant influence over the group; or
 - (iii) Is a governing board member, trustee or member of the key management personnel of the group or of a parent of the company.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Related Parties (Continued)

- (b) An entity is related to the group if any of the following conditions applies:
- (i) The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the group (or an associate or joint venture of a member of a group of which the group is a member).
 - (iii) The entity and the group are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the group is an associate of the third entity and vice versa.
 - (v) The entity is controlled or jointly controlled by a person identified in (a).
 - (vi) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land & Building S\$	Plant and Machinery S\$	Renovation S\$	Computer Equipment S\$	Office Equipment S\$	Furniture & Fittings S\$	Computer Software S\$	System Not Ready To Use S\$	Total S\$
Cost									
At 01.01.2013	12,079,195	1,418,419	14,327,069	566,820	546,713	1,419,548	317,780	-	30,675,544
Additions	-	-	394,783	79,765	7,529	28,937	61,508	36,000	608,522
Grants received	-	-	(50,511)	(13,920)	-	-	-	-	(64,431)
Disposals	-	(474)	(161,010)	(30,335)	(10,039)	(10,527)	(6,044)	-	(218,429)
At 31.12.2013 and 01.01.2014	12,079,195	1,417,945	14,510,331	602,330	544,203	1,437,958	373,244	36,000	31,001,206
Additions	-	2,530	1,094,800	90,853	1,350	46,575	51,376	-	1,287,484
Grants received	-	-	(381,500)	-	-	-	-	-	(381,500)
Disposals	-	(1,620)	(33,637)	-	(496)	(208)	-	-	(35,961)
Reclassification	-	-	(46,720)	-	-	-	82,720	(36,000)	-
At 31.12.2014	12,079,195	1,418,855	15,143,274	693,183	545,057	1,484,325	507,340	-	31,871,229
Accumulated Depreciation									
At 01.01.2013	6,759,578	1,319,866	11,253,286	380,503	313,117	1,075,550	225,332	-	21,327,232
Depreciation for the year	241,584	23,991	905,931	93,880	83,860	108,429	56,627	-	1,514,302
Disposals	-	(450)	(56,320)	(28,943)	(9,111)	(10,048)	(6,044)	-	(110,916)
At 31.12.2013 and 01.01.2014	7,001,162	1,343,407	12,102,897	445,440	387,866	1,173,931	275,915	-	22,730,618
Depreciation for the year	241,584	23,069	890,315	113,987	74,043	98,549	74,613	-	1,516,160
Disposals	-	(1,620)	(12,294)	(190)	(380)	(145)	-	-	(14,629)
At 31.12.2014	7,242,746	1,364,856	12,980,918	559,237	461,529	1,272,335	350,528	-	24,232,149
Net Book Value									
At 31.12.2014	4,836,449	53,999	2,162,356	133,946	83,528	211,990	156,812	-	7,639,080
At 31.12.2013	5,078,033	74,538	2,407,434	156,890	156,337	264,027	97,329	36,000	8,270,588

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

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3. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold Land & Building S\$	Plant and Machinery S\$	Renovation S\$	ASSOCIATION				Total S\$
				Computer Equipment S\$	Office Equipment S\$	Furniture & Fittings S\$	Computer Software S\$	
Cost								
At 01.01.2013	12,079,195	1,418,419	14,327,069	566,820	543,710	1,406,280	317,780	30,659,273
Additions	-	-	394,783	79,765	7,529	28,937	61,508	572,522
Grants received	-	-	(50,511)	(13,920)	-	-	-	(64,431)
Disposals	-	(474)	(161,010)	(30,335)	(10,039)	(10,527)	(6,044)	(218,429)
At 31.12.2013 and 01.01.2014	12,079,195	1,417,945	14,510,331	602,330	541,200	1,424,690	373,244	30,948,935
Additions	-	2,530	1,094,800	69,895	1,350	46,575	15,376	1,230,526
Grants received	-	-	(381,500)	-	-	-	-	(381,500)
Disposals	-	(1,620)	(33,637)	-	(496)	(208)	-	(35,961)
Reclassification	-	-	(46,720)	-	-	-	46,720	-
At 31.12.2014	12,079,195	1,418,855	15,143,274	672,225	542,054	1,471,057	435,340	31,762,000
Accumulated Depreciation								
At 01.01.2013	6,759,578	1,319,866	11,253,286	380,503	312,710	1,073,105	225,332	21,324,380
Depreciation for the year	241,584	23,991	905,931	93,880	83,260	105,775	56,627	1,511,048
Disposals	-	(450)	(56,320)	(28,943)	(9,111)	(10,048)	(6,044)	(110,916)
At 31.12.2013 and 01.01.2014	7,001,162	1,343,407	12,102,897	445,440	386,859	1,168,832	275,915	22,724,512
Depreciation for the year	241,584	23,069	890,315	108,748	73,442	95,895	62,613	1,495,666
Disposals	-	(1,620)	(12,294)	(190)	(380)	(145)	-	(14,629)
At 31.12.2014	7,242,746	1,364,856	12,980,918	553,998	459,921	1,264,582	338,528	24,205,549
Net Book Value								
At 31.12.2014	4,836,449	53,999	2,162,356	118,227	82,133	206,475	96,812	7,556,451
At 31.12.2013	5,078,033	74,538	2,407,434	156,890	154,341	255,858	97,329	8,224,423

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

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4. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	GROUP AND ASSOCIATION	
	2014	2013
<i>Quoted investments</i>	S\$	S\$
<u>Bonds*</u>		
Balance at beginning of the year	1,507,975	2,802,038
Additions during the year	-	1,006,250
Disposals during the year	(512,500)	(2,279,188)
Net fair value gains/(losses) recognised in fund	22,988	(21,125)
Balance at end of the year	1,018,463	1,507,975
<u>Equities</u>		
Balance at beginning of the year	2,921,325	3,411,199
Additions during the year	19,125	540,604
Disposals during the year	-	(1,197,640)
Net fair value gains recognised in profit or loss	279,494	167,162
Balance at end of the year	3,219,944	2,921,325
<u>REITs</u>		
Balance at beginning of the year	2,921,619	973,850
Additions during the year	-	2,565,207
Disposals	(177,760)	(502,500)
Net fair value gains/(losses) recognised in profit or loss	179,407	(114,938)
Balance at end of the year	2,923,266	2,921,619
Total available-for-sale financial assets at end of the year	7,161,673	7,350,919
*Bonds comprise:-		
2.95% p.a. corporate bond due 20.06.2022	251,088	248,900
3.27% p.a. corporate bond due 19.02.2020	260,375	261,825
2.50% p.a. corporate bond due 23.06.2013	-	-
4.10% p.a. corporate bond due 03.09.2019	-	507,250
3.80% p.a. corporate bond due 23.04.2027	507,000	490,000
	1,018,463	1,507,975

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5. RECEIVABLES

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
Trade receivables	552,747	687,934	525,197	622,571
Event advances	139,959	74,510	139,959	74,510
Grant receivables	381,500	86,372	381,500	86,372
Interest receivables	12,655	9,633	12,655	9,633
Other receivables	17,567	26,171	17,567	26,171
	<u>1,104,428</u>	<u>884,620</u>	<u>1,076,878</u>	<u>819,257</u>

Trade receivables are non-interest bearing and are generally on 14 to 30 days credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. These receivables are unsecured and the analysis of their aging at the end of reporting period is as follows:-

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
Not past due	351,213	90,279	327,363	24,916
Past due 1-30 days	124,575	328,631	124,575	328,631
Past due 31-60 days	46,537	144,442	45,437	144,442
Past due 61-90 days	3,250	39,436	650	39,436
Past due 91-120 days	19,920	12,226	19,920	12,226
Past due more than 120 days	7,252	72,920	7,252	72,920
	<u>552,747</u>	<u>687,934</u>	<u>525,197</u>	<u>622,571</u>

Trade receivables include amount of S\$201,534 and S\$197,834 (2013: S\$597,655 and S\$597,655) for the Group and the Association respectively which are past due at the end of reporting period but not impaired.

6. AMOUNT DUE FROM/(TO) A SUBSIDIARY

Amount due from/(to) a subsidiary is non-trade, unsecured, interest-free, repayable on demand and to be settled in cash.

7. FIXED DEPOSITS

Fixed deposits earned interest ranging from 0.2% to 0.85% (2013: 0.24% to 0.85%) per annum and matured within 7 days to 12 months (2013: 3 months to 6 months). As at 31 December 2014, a financial institution issues letters of guarantee of S\$227,935 (2013: S\$226,717) to third parties on behalf of the Group and the Association, with a charge on fixed deposits (Note 23).

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8. CASH AND BANK BALANCES

Cash and bank balances are denominated in the following currencies: -

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
Australian Dollar	14,068	14,068	-	-
Indonesian Rupiah	2,580	-	2,580	-
Malaysian Ringgit	2,174	522	2,174	522
Singapore Dollar	3,868,010	2,640,594	3,320,485	2,152,650
United States Dollar	5,386	37,600	5,386	37,600
Others	1,614	5	1,614	5
	<u>3,893,832</u>	<u>2,692,789</u>	<u>3,332,239</u>	<u>2,190,777</u>

9. OTHER FUNDS

	GROUP AND ASSOCIATION				
	At beginning of year	Receipt	Expense	Net Movement	At end of year
	S\$	S\$	S\$	S\$	S\$
<u>2014</u>					
<u>Unrestricted Funds</u>					
Community Service Fund	26,350	844,147	(613,502)	230,645	256,995
YMCA FACES	323,656	-	(66,676)	(66,676)	256,980
Project Bridge Fund	132,876	538,720	(538,445)	275	133,151
YMCA-Lim Kim San				-	
Volunteers Programme Fund	1,116,090	-	(209)	(209)	1,115,881
	<u>1,598,972</u>	<u>1,382,867</u>	<u>(1,218,832)</u>	<u>164,035</u>	<u>1,763,007</u>
<u>Restricted Funds</u>					
Disaster Relief Fund	70,350	12,804	(33,315)	(20,511)	49,839
ISP Project Fund	10,922	15,716	(4,972)	10,744	21,666
Rebuilding Community				-	
Programme @ Dujiangyan Fund	86,949	-	-	-	86,949
YMCA - Seet Hiong Kiat and				-	
Kuah Siew Eng Education Fund	20,000	-	-	-	20,000
	<u>188,221</u>	<u>28,520</u>	<u>(38,287)</u>	<u>(9,767)</u>	<u>178,454</u>
	<u>1,787,193</u>	<u>1,411,387</u>	<u>(1,257,119)</u>	<u>154,268</u>	<u>1,941,461</u>

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9. OTHER FUNDS (Continued)

	GROUP AND ASSOCIATION				
	At beginning of year	Receipt	Expense	Net Movement	At end of year
2013	S\$	S\$	S\$	S\$	S\$
<u>Unrestricted Funds</u>					
Community Service Fund	78,279	536,115	(588,044)	(51,929)	26,350
YMCA FACES	287,815	74,684	(38,843)	35,841	323,656
Project Bridge Fund	146,131	177,205	(190,460)	(13,255)	132,876
YMCA-Lim Kim San				-	
Volunteers Programme Fund	1,130,516	238,616	(253,042)	(14,426)	1,116,090
	1,642,741	1,026,620	(1,070,389)	(43,769)	1,598,972
<u>Restricted Funds</u>					
Disaster Relief Fund	82,697	-	(22,314)	(22,314)	70,350
ISP Project Fund	19,057	9,967	(8,135)	1,832	10,922
Rebuilding Community				-	
Programme @ Dujiangyan Fund	86,949	-	-	-	86,949
YMCA - Seet Hiong Kiat and				-	
Kuah Siew Eng Education Fund	20,000	-	-	-	20,000
	208,703	9,967	(30,449)	(20,482)	188,221
	1,851,444	1,036,587	(1,100,838)	(64,251)	1,787,193

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

YMCA FACES (Financial Assistance and Capability for Employment Scheme) 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.

Project Bridge Fund supports Project Bridge which aims to provide personal development programmes and counselling for early school leavers and youth-at-risk.

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

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 provides funding for any of the Association's ISP projects in any of the countries it is serving. In the event that there are surpluses for specific projects, the Board of Directors reserves the right to use such surplus funds for other ISP projects of the Association.

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9. OTHER FUNDS (Continued)

Rebuilding Community Programme @ Dujiangyan Fund was 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 was set up to provide educational sponsorship for needy students who desire to pursue higher education but do not have adequate means to do so.

10. CLUB ACCOUNTS

	GROUP AND ASSOCIATION			
	At beginning of year S\$	Receipt S\$	Expense S\$	Net Movement S\$
<u>2014</u>				
Toastmasters Club	5,376	13,115	(13,028)	87
<u>2013</u>				
Toastmasters Club	5,605	9,730	(9,959)	(229)

11. PAYABLES AND ACCRUALS

	GROUP		ASSOCIATION	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Trade payables	669,865	427,978	668,355	426,553
Advance billing	381,737	420,909	381,737	420,909
Accrued operating expenses	1,033,006	1,617,017	983,657	1,264,175
Deposits payables	690,089	654,985	690,089	654,985
Funds/Fees received in advance*	666,948	547,287	168,239	111,157
	<u>3,441,645</u>	<u>3,668,176</u>	<u>2,892,077</u>	<u>2,877,779</u>

* Funds/Fees received in advance include advance for Citi-YMCA Youth for Causes amounting to S\$NIL (2013: S\$111,157) for the Association.

12. OTHER INCOME

	GROUP		ASSOCIATION	
	2014 S\$	2013 S\$	2014 S\$	2013 S\$
Management fee income	-	-	1,836,319	1,953,196
Rental	361,922	374,378	361,922	374,378
Sundries	596,081	155,884	490,928	155,884
	<u>958,003</u>	<u>530,262</u>	<u>2,689,169</u>	<u>2,483,458</u>

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13. TOTAL INCOMING RESOURCES / RESOURCES EXPENDED

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
Total incoming resources for the year are arrived at after crediting:-				
Wage credit scheme	(257,435)	-	(257,435)	-
Total resources expended for the year are arrived at after charging: -				
Bad debts written off	-	600	-	600
Commission	948,738	883,709	-	-
Depreciation (Note 3)	1,516,160	1,514,302	1,495,666	1,511,048
Exchange difference	-	2,686	-	1,380
Staff costs* comprise:-				
- Salaries and other costs	9,618,829	8,115,043	9,390,772	8,115,043
- Employer's contribution to CPF	1,215,346	932,005	1,183,371	932,005

* Includes key management personnel compensation as disclosed in Note 14.

14. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel of the Group and the Association are those having the authority and responsibility for planning, directing and controlling the activities of the Group and the Association. The members of the Board of Directors and the Senior Management Team are considered as key management personnel of the Group and the Association.

	GROUP AND ASSOCIATION	
	2014	2013
	S\$	S\$
Key management personnel compensation comprises:-		
Salaries and other short-term employee benefits	623,236	654,010
Employer's contribution to CPF	49,687	63,282
	<u>672,923</u>	<u>717,292</u>

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14. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

The below disclosure represents remuneration bands for key management personnel with annual remuneration above S\$100,000:-

	2014	2013
S\$150,001 - S\$200,000	1	-
S\$100,001 - S\$150,000	3	2
	<u>4</u>	<u>2</u>

None of the directors received any emoluments in respect of their service as directors of the Group and the Association for both of the financial years.

15. TAXATION

	GROUP	
	2014	2013
	S\$	S\$
Provision in respect of the results of the year	<u>-</u>	<u>-</u>

The reconciliation of the tax benefit and the results for the financial year multiplied by the applicable tax rate is as follows: -

	GROUP	
	2014	2013
	S\$	S\$
Profit before taxation	<u>2,228,719</u>	<u>2,491,592</u>
Tax calculated at rate of 17%	378,882	423,570
Revenue not taxable for tax purpose	(3,877,417)	(3,568,762)
Expenses not deductible for tax purpose	3,498,535	3,145,192
Effect of enhanced claim	(52,727)	(4,740)
Effect of donation claim	(187,595)	(146,800)
Unrecognised deferred tax assets	<u>240,322</u>	<u>151,540</u>
	<u>-</u>	<u>-</u>

The deferred tax assets are not recognised due to uncertainty of recovery.

The Association has been registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134.

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16. TAX EXEMPT DONATIONS

The Association received tax exempt donations amounting to S\$1,564,787 (2013: S\$1,506,928) during the financial year.

17. RELATED PARTY TRANSACTIONS

The following significant transactions took place between the Association and the subsidiary at mutually agreed terms during the financial year:-

	ASSOCIATION	
	2014	2013
	S\$	S\$
Donation income	735,669	575,953
Management fee income	1,836,319	1,953,196
Function room rental income	<u>184,831</u>	<u>33,368</u>

18. CAPITAL COMMITMENTS

Capital expenditure contracted but not provided for in the financial statements: -

	GROUP AND ASSOCIATION	
	2014	2013
	S\$	S\$
Renovation	<u>209,145</u>	<u>-</u>

19. OPERATING LEASE COMMITMENTS

Operating lease commitments – as lessee

Rental of copiers for the year amounts to S\$42,817 and S\$32,422 (2013: S\$41,150 and S\$32,078) for the Group and the Association respectively.

At the end of reporting period, the Group and the Association have committed to make the following non-cancellable lease payments in respect of the rent of copiers with a term of more than one year:-

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
Within one year	45,676	26,830	33,724	20,710
After one year but within five years	<u>91,871</u>	<u>31,541</u>	<u>61,683</u>	<u>23,377</u>
	<u>137,547</u>	<u>58,371</u>	<u>95,407</u>	<u>44,087</u>

None of the leases include contingent rent.

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19. OPERATING LEASE COMMITMENTS (Continued)

Operating lease commitments – as lessor

Rental of premises for the year amounts to S\$361,922 and S\$361,922 (2013: S\$374,378 and S\$374,378) for the Group and the Association respectively.

At the end of reporting period, the Group and the Association have committed to receive the following non-cancellable lease payments in respect of the rent of the premises with a term of more than one year:-

	GROUP AND ASSOCIATION	
	2014	2013
	S\$	S\$
Within one year	361,910	361,910
After one year but within five years	147,589	347,860
	<u>509,499</u>	<u>709,770</u>

None of the leases include contingent rent.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The management of the Group monitors and manages the financial risk relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk, credit risk and liquidity risk.

Foreign Currency Risk

The Group has minimal dealings in foreign currencies and as such, the Group is not significantly exposed to foreign currency risk. Sensitivity analysis is not performed as the impact is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's interest rate exposure relates primarily to its investment portfolio in fixed deposits and bonds. At the end of reporting period, the Group is not significantly exposed to interest rate risk as the interest-bearing instruments mainly carry fixed interest. Sensitivity analysis is not performed as the impact is not significant.

Price Risk

The Group is exposed to securities price risk because of the investments held by the Group which are classified on the statement of financial position as available-for-sale financial assets. To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the asset allocation set by the Group, which is reviewed on a regular basis.

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20. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group does not expect to incur material credit losses on its financial assets.

The Group has no significant concentrations of credit risk.

Financial assets that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with financial institutions with high credit ratings.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5.

Liquidity Risk

The Management manages the liquidity prudently and aims at maintaining an adequate level of liquidity. The Group has sufficient funds to support its operations.

The maturity profile of the Group's financial liabilities is within twelve months from the end of reporting period for both years.

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21. RESERVES POLICY

The following table sets out the reserves position as at the end of reporting period: -

GROUP AND ASSOCIATION	GROUP AND ASSOCIATION		% Increase/ (Decrease)
	2014 S\$	2013 S\$	
Unrestricted Funds (*Reserves)			
- Accumulated Fund	18,350,955	17,125,166	7
Designated and Other Funds			
- Capital Replacement Fund	5,782,419	4,943,524	17
- Fair Value Reserve	577,116	96,676	497
- Other Funds	<u>1,763,007</u>	<u>1,598,972</u>	10
	26,473,497	23,764,338	
Restricted Funds			
- Building Asset Capitalisation Reserve	2,179,878	2,294,608	(5)
- Other Funds	178,454	188,221	(5)
- Club Accounts	<u>5,463</u>	<u>5,376</u>	2
Total Funds	<u>28,837,292</u>	<u>26,252,543</u>	
Ratio of *Reserves to annual operating expenditure	<u>3.28</u>	<u>3.09</u>	

The reserves that the Group has set aside provide financial stability and the means for the development of the Group's principal activities. The Group targets for an optimum of three years of operating reserves from surpluses generated through its social enterprises. These reserves will be critical when donations dry up or the economy is at a downturn. The Group has set aside a percentage of its surpluses for large scale asset renewal as capital replacement fund. This allows the Group fundraising efforts to sustain its programmes and not to be detracted from fundraising for asset renewal purposes when the need arises.

The Board regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfill the Group's continuing obligations.

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22. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of reporting date:-

	GROUP		ASSOCIATION	
	2014	2013	2014	2013
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Available-for-sale financial assets	7,161,673	7,350,919	7,161,673	7,350,919
Loans and receivables:-				
Receivables	964,469	810,110	936,919	744,747
Deposits	40,927	41,801	38,424	39,296
Amount due from a subsidiary	-	-	342,712	-
Fixed deposits	12,146,997	10,599,316	12,146,997	10,599,316
Cash and bank balances	<u>3,893,832</u>	<u>2,692,789</u>	<u>3,332,239</u>	<u>2,190,777</u>
Total financial assets	<u>24,207,898</u>	<u>21,494,935</u>	<u>23,958,964</u>	<u>20,925,055</u>
<u>Financial liabilities</u>				
At amortised cost:-				
Payables and accruals	2,392,960	2,699,980	2,342,101	2,345,713
Amount due to a subsidiary	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,125</u>
Total financial liabilities	<u>2,392,960</u>	<u>2,699,980</u>	<u>2,342,101</u>	<u>2,516,838</u>

23. CONTINGENT LIABILITY

As at 31 December 2014, a financial institution has issued letters of guarantee of S\$227,935 (2013: S\$226,717) to third parties on behalf of the Group, with a charge on fixed deposits (Note 7).

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24. FAIR VALUES

Fair value of financial instruments that are carried at fair value

Fair value hierarchy

The Group classifies fair value measurement using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Determination of fair value

Quoted bonds, equities and REITs: Fair value is determined directly by reference to their published market bid prices at the end of reporting period.

Available-for-sale financial assets of the Group and the Association measured at fair value of S\$7,161,673 (2013: S\$7,350,919) are sourced from quoted prices in active markets for identical investments which is included in Level 1.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets (other than available-for-sale instruments) and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

25. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2015. The group does not expect that adoption of these accounting standards or interpretations will have a material impact on the group's financial statements.

26. AUTHORISATION OF FINANCIAL STATEMENTS

The board of directors approved and authorised the financial statements for issue on 7th April 2015.