

**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 2016**

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

<b>CONTENTS</b>	<b>Page</b>
Directors' Statement	1
Auditors' Report	2 - 4
Statements of Financial Position	5
Statements of Comprehensive Income	6 - 7
Statements of Changes in Funds	8 - 9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11 - 40

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

**DIRECTORS' STATEMENT**


In the opinion of the Board of Directors,

- (a) 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 funds of the Association as set out on pages 5 to 40 are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2016, and the financial performance, changes in funds of the Group and of the Association and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Societies Act, the Singapore Charities Act and Regulations and Singapore Financial Reporting Standards, and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,



**ERIC TENG**  
President



**TAN SZE WEE**  
Hon Treasurer

Singapore, - 6 APR 2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE (UEN: S61SS0045E)**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Young Men's Christian Association of Singapore (the "Association") and its subsidiary (collectively, the "Group"), which comprise the statement of financial position of the Group and of the Association as at 31 December 2016, the statement of comprehensive income, statement of changes in funds of the Group and of the Association and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 funds of the Association are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 (the Societies Act), the Charities Act, Cap. 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2016 and of the financial performance, changes in funds of the Group and of the Association and cash flows of the Group for the year ended on that date.

*Basis for Opinion*

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE (UEN: S61SS0045E)**  
(Continued)

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

Management is responsible for the preparation of financial statements that give a true and fair view 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 of true and fair 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE (UEN: S61SS0045E)**  
(Continued)

*Auditor's Responsibilities for the Audit of the Financial Statements (Continued)*

- 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.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under Societies Act, the Charities Act and Regulations.

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

- a) the Association has not complied with the requirements of Regulation 15 (Fund raising expenses) of the Charities (Institutions of a Public Character) Regulations.
- b) the Association has not used the donation moneys in accordance with its objective as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.

**KRESTON DAVID YEUNG PAC**  
**Public Accountants and**  
**Chartered Accountants**  
**- 6 APR 2017**

**KRESTON DAVID YEUNG PAC** (UEN: 200717891W)  
A public accounting corporation incorporated with limited liability and a member of **Kreston International**  
128A Tanjong Pagar Road, Singapore 088535  
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**YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE**  
**(UEN: S61SS0045E)**  
**AND ITS SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2016**

	Note	GROUP			ASSOCIATION		
		As at 31.12.2016	Restated As at 31.12.2015	Restated As at 01.01.2015	As at 31.12.2016	Restated As at 31.12.2015	Restated As at 01.01.2015
		S\$	S\$	S\$	S\$	S\$	S\$
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment	3	6,702,284	7,237,153	7,639,080	6,685,218	7,188,867	7,556,451
Available-for-sale financial assets	4	<u>5,690,228</u>	<u>6,622,795</u>	<u>7,161,673</u>	<u>5,690,228</u>	<u>6,622,795</u>	<u>7,161,673</u>
<b>Total Non-Current Assets</b>		<u>12,392,512</u>	<u>13,859,948</u>	<u>14,800,753</u>	<u>12,375,446</u>	<u>13,811,662</u>	<u>14,718,124</u>
<b>Current Assets</b>							
Inventories		13,085	13,893	19,057	13,085	13,893	19,057
Receivables	5	1,329,121	1,018,487	1,104,428	1,322,365	1,011,731	1,076,878
Prepayments		308,699	87,128	272,943	42,231	80,405	54,938
Deposits		49,891	41,803	40,927	47,386	41,803	38,424
Amount due from a subsidiary	6	-	-	-	943,062	797,081	342,712
Fixed deposits	7	13,274,209	12,201,230	12,146,997	13,274,209	12,201,230	12,146,997
Cash and bank balances	8	<u>6,623,548</u>	<u>6,917,093</u>	<u>3,893,832</u>	<u>5,364,768</u>	<u>5,359,102</u>	<u>3,332,239</u>
<b>Total Current Assets</b>		<u>21,598,553</u>	<u>20,279,634</u>	<u>17,478,184</u>	<u>21,007,106</u>	<u>19,505,245</u>	<u>17,011,245</u>
<b>Total Assets</b>		<u>33,991,065</u>	<u>34,139,582</u>	<u>32,278,937</u>	<u>33,382,552</u>	<u>33,316,907</u>	<u>31,729,369</u>
<b>FUNDS AND LIABILITIES</b>							
<b>Funds</b>							
<b>Unrestricted Funds</b>							
General fund		19,802,050	21,018,585	20,637,699	19,802,050	21,018,585	20,637,699
Capital replacement fund	9	6,773,268	5,102,434	3,495,675	6,773,268	5,102,434	3,495,675
Fair value reserve	10	(72,140)	38,239	577,116	(72,140)	38,239	577,116
Other funds	11	1,298,234	1,344,139	1,629,856	1,298,234	1,344,139	1,629,856
<b>Restricted Funds</b>							
Building asset capitalisation reserve		1,950,417	2,065,147	2,179,878	1,950,417	2,065,147	2,179,878
Other funds	11	<u>110,458</u>	<u>353,911</u>	<u>317,068</u>	<u>110,458</u>	<u>353,911</u>	<u>317,068</u>
<b>Total Funds</b>		<u>29,862,287</u>	<u>29,922,455</u>	<u>28,837,292</u>	<u>29,862,287</u>	<u>29,922,455</u>	<u>28,837,292</u>
<b>Current Liabilities</b>							
Payables and accruals	12	<u>4,128,778</u>	<u>4,217,127</u>	<u>3,441,645</u>	<u>3,520,265</u>	<u>3,394,452</u>	<u>2,892,077</u>
<b>Total Liabilities</b>		<u>4,128,778</u>	<u>4,217,127</u>	<u>3,441,645</u>	<u>3,520,265</u>	<u>3,394,452</u>	<u>2,892,077</u>
<b>Total Funds and Liabilities</b>		<u>33,991,065</u>	<u>34,139,582</u>	<u>32,278,937</u>	<u>33,382,552</u>	<u>33,316,907</u>	<u>31,729,369</u>

The notes set out on pages 11 to 40 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 2016

	Note	GROUP				2016 Total S\$	2015 Total S\$
		<-----Unrestricted Funds----->			Restricted Funds S\$		
		General Fund S\$	Designated Funds S\$	Total S\$			
<b>Incoming Resources</b>							
<b>Incoming Resources from Generated Funds</b>							
<i>Voluntary Income</i>							
Donations		210,706	-	210,706	-	210,706	208,508
<i>Activities for Generating Funds</i>							
Child Care and Student Care Centres		8,787,776	-	8,787,776	-	8,787,776	6,968,741
Education		3,797,017	-	3,797,017	-	3,797,017	4,574,057
International House		5,893,999	-	5,893,999	-	5,893,999	6,481,183
Membership and Corporate Activities		425,386	-	425,386	20,204	445,590	495,913
Outdoor and Adventure		407,247	-	407,247	-	407,247	650,841
Fund Raising Events		652,364	-	652,364	-	652,364	651,482
Other Income	13	532,117	-	532,117	-	532,117	591,466
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	-	114,730	114,731
		20,821,342	-	20,821,342	20,204	20,841,546	20,736,922
<i>Investment Income</i>							
Interest and Dividend Income		355,144	-	355,144	-	355,144	417,925
		21,176,486	-	21,176,486	20,204	21,196,690	21,154,847
<b>Incoming Resources from Charitable Activities</b>							
Community Services *		5,465	165,490	170,955	381,536	552,491	940,692
Volunteer and Youth Development Programmes		388,194	-	388,194	-	388,194	404,322
International Service Programmes		1,881,951	-	1,881,951	7,079	1,889,030	1,991,605
		2,275,610	165,490	2,441,100	388,615	2,829,715	3,336,619
<b>TOTAL INCOMING RESOURCES</b>	14	23,452,096	165,490	23,617,586	408,819	24,026,405	24,491,466
<b>Less: Resources Expended</b>							
<b>Costs of Generating Funds</b>							
Child Care and Student Care Centres		7,898,135	-	7,898,135	-	7,898,135	5,907,275
Education		2,140,921	-	2,140,921	-	2,140,921	2,417,423
International House		6,894,369	-	6,894,369	-	6,894,369	6,694,469
Membership and Corporate Activities		718,647	-	718,647	23,315	741,962	784,460
Outdoor and Adventure		445,481	-	445,481	-	445,481	644,040
Fund Raising Events		127,003	-	127,003	-	127,003	133,302
Other Operating Expenses		662,106	-	662,106	-	662,106	1,367,115
		18,886,662	-	18,886,662	23,315	18,909,977	17,948,084
<b>Resources Expended on Charitable Activities</b>							
Community Services *		239,373	846,495	1,085,868	790,395	1,876,263	1,771,410
Volunteer and Youth Development Programmes		892,303	-	892,303	-	892,303	961,885
International Service Programmes		1,833,515	-	1,833,515	34,732	1,868,247	1,943,849
		2,965,191	846,495	3,811,686	825,127	4,636,813	4,677,144
Governance Costs		134,744	-	134,744	-	134,744	122,965
(Gain)/Loss on disposal of property, plant and equipment		(4,475)	-	(4,475)	-	(4,475)	4,502
Loss on disposal of available-for-sale financial assets		184,405	-	184,405	-	184,405	-
<b>TOTAL RESOURCES EXPENDED</b>	14	22,166,527	846,495	23,013,022	848,442	23,861,464	22,752,695
Net surplus/(deficit) for the year before taxation		1,285,569	(681,005)	604,564	(439,623)	164,941	1,738,771
<b>Less: Taxation</b>	16	-	-	-	-	-	-
Net surplus/(deficit) for the year		1,285,569	(681,005)	604,564	(439,623)	164,941	1,738,771
Fund balances at beginning of the year		21,018,585	6,484,812	27,503,397	2,419,058	29,922,455	28,837,292
Transfer between funds		(2,502,104)	2,305,934	(196,170)	196,170	-	-
Net movement on available-for-sale financial assets		-	(110,379)	(110,379)	-	(110,379)	(538,877)
Amortisation of Building Assets Capitalisation Reserve		-	-	-	(114,730)	(114,730)	(114,731)
Fund balances at end of the year		19,802,050	7,999,362	27,801,412	2,060,875	29,862,287	29,922,455

\* 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 11 to 40 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 2016**

		ASSOCIATION					
		<-----Unrestricted Funds----->			Restricted	2016	2015
	Note	General Fund S\$	Designated Funds S\$	Total S\$	Funds S\$	Total S\$	Total S\$
<b>Incoming Resources</b>							
<b>Incoming Resources from Generated Funds</b>							
<i>Voluntary Income</i>							
Donations		484,780	-	484,780	-	484,780	1,070,011
<i>Activities for Generating Funds</i>							
Child Care and Student Care Centres		8,787,776	-	8,787,776	-	8,787,776	6,968,741
Education		262,965	-	262,965	-	262,965	193,668
International House		5,950,703	-	5,950,703	-	5,950,703	6,525,245
Membership and Corporate Activities		425,386	-	425,386	20,204	445,590	495,913
Outdoor and Adventure		407,247	-	407,247	-	407,247	650,841
Fund Raising Events		652,364	-	652,364	-	652,364	651,482
Other Income	13	1,866,382	-	1,866,382	-	1,866,382	2,153,145
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	-	114,730	114,731
		18,952,333	-	18,952,333	20,204	18,972,537	18,823,777
<i>Investment Income</i>							
Interest and Dividend Income		353,810	-	353,810	-	353,810	416,255
		19,306,143	-	19,306,143	20,204	19,326,347	19,240,032
<b>Incoming Resources from Charitable Activities</b>							
Community Services *		5,465	165,490	170,955	381,536	552,491	940,692
Volunteer and Youth Development Programmes		388,194	-	388,194	-	388,194	404,322
International Service Programmes		1,881,951	-	1,881,951	7,079	1,889,030	1,991,605
		2,275,610	165,490	2,441,100	388,615	2,829,715	3,336,619
<b>TOTAL INCOMING RESOURCES</b>	14	21,581,753	165,490	21,747,243	408,819	22,156,062	22,576,651
<b>Less: Resources Expended</b>							
<b>Costs of Generating Funds</b>							
Child Care and Student Care Centres		7,898,135	-	7,898,135	-	7,898,135	5,907,275
Education		271,482	-	271,482	-	271,482	502,608
International House		6,895,348	-	6,895,348	-	6,895,348	6,694,469
Membership and Corporate Activities		717,054	-	717,054	23,315	740,369	784,460
Outdoor and Adventure		445,481	-	445,481	-	445,481	644,040
Fund Raising Events		127,003	-	127,003	-	127,003	133,302
Other Operating Expenses		662,106	-	662,106	-	662,106	1,367,232
		17,016,609	-	17,016,609	23,315	17,039,924	16,033,386
<b>Resources Expended on Charitable Activities</b>							
Community Services *		239,083	846,495	1,085,578	790,395	1,875,973	1,771,410
Volunteer and Youth Development Programmes		892,303	-	892,303	-	892,303	961,885
International Service Programmes		1,833,515	-	1,833,515	34,732	1,868,247	1,943,849
		2,964,901	846,495	3,811,396	825,127	4,636,523	4,677,144
Governance Costs		134,744	-	134,744	-	134,744	122,965
(Gain)/Loss on disposal of property, plant and equipment		(4,475)	-	(4,475)	-	(4,475)	4,385
Loss on disposal of available-for-sale financial assets		184,405	-	184,405	-	184,405	-
<b>TOTAL RESOURCES EXPENDED</b>	14	20,296,184	846,495	21,142,679	848,442	21,991,121	20,837,880
Net surplus/(deficit) for the year		1,285,569	(681,005)	604,564	(439,623)	164,941	1,738,771
Fund balances at beginning of the year		21,018,585	6,484,812	27,503,397	2,419,058	29,922,455	28,837,292
Transfer between funds		(2,502,104)	2,305,934	(196,170)	196,170	-	-
Net movement on available-for-sale financial assets		-	(110,379)	(110,379)	-	(110,379)	(538,877)
Amortisation of Building Assets Capitalisation Reserve		-	-	-	(114,730)	(114,730)	(114,731)
Fund balances at end of the year		19,802,050	7,999,362	27,801,412	2,060,875	29,862,287	29,922,455

\* 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 11 to 40 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 FUNDS**  
For the financial year ended 31 December 2016

	GROUP					<-----Restricted----->	
	<-----Unrestricted----->		Designated				
	General Fund S\$	Fair Value Reserve S\$	Replacement Fund S\$	Capital S\$	Other Funds S\$	Building Asset Capitalisation Reserve S\$	Other Funds S\$
Balance at 01.01.2015	18,350,955	577,116	5,782,419	1,763,007	183,917	28,837,292	
Prior year adjustments (Note 26)	2,286,744	-	(2,286,744)	(133,151)	133,151	-	
Balance at 01.01.2015 (Restated)	20,637,699	577,116	3,495,675	1,629,856	317,068	28,837,292	
Net surplus for the year	2,364,889	-	-	(583,423)	-	1,781,466	
- Unrestricted funds	-	-	-	-	(42,695)	(42,695)	
- Restricted funds	-	(538,877)	-	-	-	(538,877)	
Net fair value loss on available-for-sale financial assets							
Transfer during the year	(1,278,961)	-	901,717	377,244	-	-	
Prior year adjustments (Note 26)	(705,042)	-	705,042	(79,538)	79,538	-	
Amortisation of Building Asset Capitalisation Reserve	(1,984,003)	-	1,606,759	297,706	-	-	
Balance at 31.12.2015/01.01.2016 (Restated)	21,018,585	38,239	5,102,434	1,344,139	353,911	29,922,455	
Net surplus for the year	1,285,569	-	-	(681,005)	-	604,564	
- Unrestricted funds	-	-	-	-	(439,623)	(439,623)	
- Restricted funds	-	(277,077)	-	-	-	(277,077)	
Net fair value loss on available-for-sale financial assets							
Reclassification on disposal of available-for-sale financial assets	-	166,698	-	-	-	166,698	
Transfer during the year	(2,502,104)	-	1,670,834	635,100	196,170	-	
Amortisation of Building Asset Capitalisation Reserve	-	-	-	-	-	(114,730)	
Balance at 31.12.2016	19,802,050	(72,140)	6,773,268	1,298,234	110,458	29,862,287	
	<-----Unrestricted----->		Designated		<-----Restricted----->		
	S\$7,999,362		S\$2,060,875		S\$2,060,875		

The notes set out on pages 11 to 40 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 CHANGES IN FUNDS**  
For the financial year ended 31 December 2016

	ASSOCIATION					
	<-----Unrestricted----->			<-----Restricted----->		
	General Fund S\$	Fair Value Reserve S\$	Capital Replacement Fund S\$	Other Funds S\$	Building Asset Capitalisation Reserve S\$	Other Funds S\$
Balance at 01.01.2015	18,350,955	577,116	5,782,419	1,763,007	2,179,878	183,917
Prior year adjustments (Note 26)	2,286,744	-	(2,286,744)	(133,151)	-	133,151
Balance at 01.01.2015 (Restated)	20,637,699	577,116	3,495,675	1,629,856	2,179,878	317,068
Net surplus for the year	2,364,889	-	-	(583,423)	-	-
- Unrestricted funds	-	-	-	-	-	-
- Restricted funds	-	(538,877)	-	-	-	-
Net fair value loss on available-for-sale financial assets	-	-	-	-	-	-
Transfer during the year	(1,278,961)	-	901,717	377,244	-	-
Prior year adjustments (Note 26)	(705,042)	-	705,042	(79,538)	-	79,538
Balance at 31.12.2015/01.01.2016 (Restated)	(1,984,003)	-	1,606,759	297,706	-	79,538
Amortisation of Building Asset Capitalisation Reserve	-	-	-	-	(114,731)	-
Balance at 31.12.2015/01.01.2016 (Restated)	21,018,585	38,239	5,102,434	1,344,139	2,065,147	353,911
Net surplus for the year	1,285,569	-	-	(681,005)	-	-
- Unrestricted funds	-	-	-	-	-	-
- Restricted funds	-	(277,077)	-	-	-	-
Net fair value loss on available-for-sale financial assets	-	166,698	-	-	-	-
Reclassification on disposal of available-for-sale financial assets	(2,502,104)	-	1,670,834	635,100	-	196,170
Transfer during the year	-	-	-	-	(114,730)	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	-	-	-
Balance at 31.12.2016	19,802,050	(72,140)	6,773,268	1,298,234	1,950,417	110,458
	<-----S\$7,999,362----->			<-----S\$2,060,875----->		
	Note 11			Note 11		
	29,862,287			29,862,287		

The notes set out on pages 11 to 40 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 CASH FLOWS**  
**For the financial year ended 31 December 2016**

	2016 S\$	2015 S\$
<b>Cash flows from operating activities</b>		
Net surplus for the year	164,941	1,738,771
Adjustments for: -		
Depreciation of property, plant and equipment	1,235,050	1,423,893
Amortisation of building asset capitalisation reserve	(114,730)	(114,731)
(Gain)/Loss on disposal of property, plant and equipment	(4,475)	4,502
Interest and dividend income	(355,144)	(417,925)
Loss on disposal of available-for-sale financial assets	184,405	-
<b>Operating surplus before working capital changes</b>	<b>1,110,047</b>	<b>2,634,510</b>
Decrease in inventories	808	5,164
Increase in receivables, prepayments and deposits	(316,307)	(104,978)
(Decrease)/Increase in payables and accruals	(313,347)	775,482
<b>Net cash generated from operating activities</b>	<b>481,201</b>	<b>3,310,178</b>
<b>Cash flows from investing activities</b>		
Grant received for acquisition of property, plant and equipment	1,920,198	303,704
Proceeds from disposal of available-for-sale financial assets	1,135,723	-
Proceeds from disposal of property, plant and equipment	6,133	-
Purchase of available-for-sale financial assets	(497,940)	-
Purchase of property, plant and equipment	(2,622,037)	(948,672)
Fixed deposits subject to restriction	-	81,955
Interest and dividend received	356,156	412,284
<b>Net cash generated from/(used in) investing activities</b>	<b>298,233</b>	<b>(150,729)</b>
<b>Net increase in cash and cash equivalents</b>	<b>779,434</b>	<b>3,159,449</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>19,118,323</b>	<b>15,958,874</b>
<b>Cash and cash equivalents at end of year</b>	<b>19,897,757</b>	<b>19,118,323</b>
<b>Cash and cash equivalents comprise:-</b>		
Cash and bank balances	6,623,548	6,917,093
Fixed deposits	13,274,209	12,201,230
	<b>19,897,757</b>	<b>19,118,323</b>

The notes set out on pages 11 to 40 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**

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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 31 December 2018.

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 given the EduTrust award which is valid until 15 December 2019.

**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 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 2016. 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 2016**

**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.

**c) Subsidiary**

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Association's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses. The subsidiary is a company limited by guarantee and do not have share capital. As a result, there is no cost of investment.

**d) Basis of Consolidation**

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

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Basis of Consolidation (Continued)**

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-subsidary 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% to 20%
Renovation	12.5% to 20%
Computer equipment	20% to 33.3%
Office equipment	20%
Furniture and fittings	20%
Computer software	33.3%

Assets not ready to use is not depreciated until it 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.

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 surplus or deficit in the year the asset is derecognised.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f) Grants**

Government and others grants are recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

Grants should be recognised in the statement of comprehensive income on a systematic basis over the periods in which the entity recognised as expenses the related costs for which the grants are intended to compensate.

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 of 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 surplus or deficit.

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 surplus or deficit.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**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 surplus or deficit 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 surplus or deficit. 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 surplus or deficit. The cumulative gain or loss previously recognised in fair value reserve fund is reclassified from fair value reserve to surplus or deficit as a reclassification adjustment when the financial asset is derecognised.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**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 surplus or deficit.

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 banks 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 surplus or deficit.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**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 surplus or deficit.

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 surplus or deficit, is transferred from fund and recognised in surplus or deficit. Reversals of impairment losses in respect of equity instruments are not recognised in surplus or deficit; increase in their fair value after impairment are recognised directly in fair value reserve.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Impairment of Financial Assets (Continued)**

Available-for-sale financial assets (Continued)

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 surplus or deficit. 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 investment 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 surplus or deficit, the impairment loss is reversed in surplus or deficit.

**l) 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 surplus or deficit when the liabilities are derecognised, and through the amortisation process.

*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 surplus or deficit.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Funds**

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

*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 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 Education Centre.

**n) 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.

**o) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o) Contingencies (Continued)**

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.

**p) Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term as classified as operating leases.

*As a lessee*

Operating lease payments are recognised as an expense in surplus or deficit on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

*As a lessor*

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2(q).

**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 collection is certain
- ii) *Education* - over the period of the course conducted.
- iii) *Child and Student Care* - when the services are rendered.
- iv) *Income from courses* – over the period of course
- v) *Interest* - on effective interest method
- vi) *Dividend* – when the Group's right to receive payment is established
- vii) *Rental* – on a straight-line basis over the lease terms
- viii) *Other services* - when services are rendered

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r) Gift in Kind**

A gift in kind included in the surplus or deficit 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.

**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 surplus or deficit.

Unless otherwise stated, the financial assets and liabilities are denominated in Singapore dollar.

**t) Taxation**

Current tax

Income tax on the surplus or deficit for the period comprises current and deferred income taxes. Income tax is recognised in the surplus or deficit except to the extent that it relates to items recognised outside surplus or deficit, 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.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**t) Taxation (Continued)**

Current tax (Continued)

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.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**u) 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.

**v) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settled the liabilities simultaneously.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**3. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Land and Building	Plant and Machinery	Renovation	GROUP					Total
	S\$	S\$	S\$	Computer Equipment	Office Equipment	Furniture and Fittings	Computer Software	Assets In Progress	S\$
<b>Cost</b>									
At 01.01.2015	12,079,195	1,418,855	15,143,274	693,183	545,057	1,484,325	507,340	-	31,871,229
Additions	-	6,381	357,516	93,625	53,341	60,145	149,214	228,450	948,672
Grants received/receivable	-	(986)	(154,193)	(21,440)	(13,502)	(14,341)	(99,242)	-	(303,704)
Grants reversal	-	-	381,500	-	-	-	-	-	381,500
Disposals	-	(1,245,550)	(9,805,104)	(373,668)	(228,594)	(984,780)	(224,166)	-	(12,861,862)
Reclassification	-	1,182,953	(1,097,444)	965	13,052	(7,526)	-	(92,000)	-
At 31.12.2015 and 01.01.2016	12,079,195	1,361,653	4,825,549	392,665	369,354	537,823	333,146	136,450	20,035,835
Additions	-	12,500	1,497,683	165,041	54,972	150,494	704,441	36,906	2,622,037
Grants received/receivable	-	-	(992,243)	(7,020)	(22,676)	(138,628)	(759,631)	-	(1,920,198)
Disposals	-	-	(6,095)	(49,709)	(1,900)	(4,110)	-	(1,500)	(63,314)
Reclassification	-	-	14,280	-	-	62,390	58,280	(134,950)	-
At 31.12.2016	12,079,195	1,374,153	5,339,174	500,977	399,750	607,969	336,236	36,906	20,674,360
<b>Accumulated Depreciation</b>									
At 01.01.2015	7,242,746	1,364,856	12,980,918	559,237	461,529	1,272,335	350,528	-	24,232,149
Depreciation for the year	241,584	125,268	725,481	91,943	60,756	94,211	84,650	-	1,423,893
Disposals	-	(1,245,550)	(9,801,236)	(373,202)	(228,544)	(984,662)	(224,166)	-	(12,857,360)
Reclassification	-	45,092	(45,092)	-	-	-	-	-	-
At 31.12.2015 and 01.01.2016	7,484,330	289,666	3,860,071	277,978	293,741	381,884	211,012	-	12,798,682
Depreciation for the year	241,584	166,103	555,952	85,635	32,228	93,151	60,397	-	1,235,050
Disposals	-	-	(6,095)	(49,709)	(1,742)	(4,110)	-	-	(61,656)
At 31.12.2016	7,725,914	455,769	4,409,928	313,904	324,227	470,925	271,409	-	13,972,076
<b>Net Book Value</b>									
At 31.12.2016	4,353,281	918,384	929,246	187,073	75,523	137,044	64,827	36,906	6,702,284
At 31.12.2015	4,594,865	1,071,987	965,478	114,687	75,613	155,939	122,134	136,450	7,237,153

Group & Association :

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 12) amounting to S\$1,710,354 (2015 S\$99,242), Start-up Grant amounting to S\$197,815 (2015: S\$204,462) and Pre-School Learning Centre Management System grant amounting to S\$12,029 (2015: S\$NIL) respectively.

Included in computer software is staff cost capitalised amounting to S\$381,456 (2015: S\$NIL) for the implementation of accounting and customer relationship management systems.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**3. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	Leasehold Land and Building	Plant and Machinery	Renovation	ASSOCIATION					Assets In Progress	Total
	S\$	S\$	S\$	Computer Equipment	Office Equipment	Furniture and Fittings	Computer Software	S\$		
<b>Cost</b>										
At 01.01.2015	12,079,195	1,418,855	15,143,274	672,225	542,054	1,471,057	435,340	-	31,762,000	
Additions	-	6,381	357,516	93,625	53,341	60,145	149,214	228,450	948,672	
Grants received / receivable	-	(986)	(154,193)	(21,440)	(13,502)	(14,341)	(99,242)	-	(303,704)	
Grants reversal	-	-	381,500	-	-	-	-	-	381,500	
Disposals	-	(1,245,550)	(9,805,104)	(373,668)	(228,594)	(984,327)	(224,166)	-	(12,861,409)	
Reclassification	-	1,182,953	(1,097,444)	965	13,052	(7,526)	-	(92,000)	-	
At 31.12.2015 and 01.01.2016	12,079,195	1,361,653	4,825,549	371,707	366,351	525,008	261,146	136,450	19,927,059	
Additions	-	12,500	1,497,683	163,241	54,972	149,234	704,441	36,906	2,618,977	
Grants received / receivable	-	-	(992,243)	(7,020)	(22,676)	(138,628)	(759,631)	-	(1,920,198)	
Disposals	-	-	(6,095)	(49,709)	(1,900)	(4,110)	-	(1,500)	(63,314)	
Reclassification	-	-	14,280	-	-	62,390	58,280	(134,950)	-	
At 31.12.2016	12,079,195	1,374,153	5,339,174	478,219	396,747	593,894	264,236	36,906	20,562,524	
<b>Accumulated Depreciation</b>										
At 01.01.2015	7,242,746	1,364,856	12,980,918	553,998	459,921	1,264,582	338,528	-	24,205,549	
Depreciation for the year	241,584	125,268	725,481	84,957	60,155	91,573	60,650	-	1,389,668	
Disposals	-	(1,245,550)	(9,801,236)	(373,202)	(228,544)	(984,327)	(224,166)	-	(12,857,025)	
Reclassification	-	45,092	(45,092)	-	-	-	-	-	-	
At 31.12.2015 and 01.01.2016	7,484,330	289,666	3,860,071	265,753	291,532	371,828	175,012	-	12,738,192	
Depreciation for the year	241,583	166,103	555,952	78,449	31,627	90,659	36,397	-	1,200,770	
Disposals	-	-	(6,095)	(49,709)	(1,742)	(4,110)	-	-	(61,656)	
At 31.12.2016	7,725,913	455,769	4,409,928	294,493	321,417	458,377	211,409	-	13,877,306	
<b>Net Book Value</b>										
At 31.12.2016	4,353,282	918,384	929,246	183,726	75,330	135,517	52,827	36,906	6,685,218	
At 31.12.2015	4,594,865	1,071,987	965,478	105,954	74,819	153,180	86,134	136,450	7,188,867	

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**4. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	GROUP AND ASSOCIATION	
	2016	2015
<i>Quoted investments</i>	S\$	S\$
<u>Bonds*</u>		
Balance at beginning of year	971,875	1,018,463
Net fair value gains /(losses) recognised in reserve	37,067	(46,588)
Balance at end of year	<u>1,008,942</u>	<u>971,875</u>
<u>Equities</u>		
Balance at beginning of year	3,075,768	3,219,944
Additions	497,940	-
Disposal	(200,940)	-
Net fair value losses recognised in reserve	(256,414)	(144,176)
Balance at end of year	<u>3,116,354</u>	<u>3,075,768</u>
<u>REITs</u>		
Balance at beginning of year	2,575,152	2,923,266
Disposals	(952,490)	-
Net fair value losses recognised in reserve	(57,730)	(348,114)
Balance at end of year	<u>1,564,932</u>	<u>2,575,152</u>
Total available-for-sale financial assets at end of year	<u>5,690,228</u>	<u>6,622,795</u>
*Bonds comprise:-		
2.95% p.a. corporate bond due on 20.06.2022	250,937	248,750
3.27% p.a. corporate bond due on 19.02.2020	259,385	258,125
3.80% p.a. corporate bond due on 23.04.2027	498,620	465,000
	<u>1,008,942</u>	<u>971,875</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**5. RECEIVABLES**

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Event advances	157,517	158,903	157,517	158,903
Grant receivables	730,674	286,787	730,674	286,787
Interest receivables	17,283	18,295	17,283	18,295
Other receivables	57,897	-	57,897	-
Trade receivables	365,750	554,502	358,994	547,746
	<u>1,329,121</u>	<u>1,018,487</u>	<u>1,322,365</u>	<u>1,011,731</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	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Not past due	105,525	166,791	105,525	166,791
Past due 1-30 days	163,154	300,972	163,154	300,972
Past due 31-60 days	87,759	24,026	87,759	24,026
Past due more than 60 days	9,312	62,713	2,556	55,957
	<u>365,750</u>	<u>554,502</u>	<u>358,994</u>	<u>547,746</u>

Trade receivables include amount of S\$260,225 and S\$253,469 (2015: S\$387,711 and S\$380,955) for the Group and the Association respectively which are past due at the end of reporting period but not impaired.

The grant receivables comprise:-

	GROUP AND ASSOCIATION	
	2016	2015
	S\$	S\$
Youth Expedition Project funding	400,413	264,439
Care and Share matching grant (Note 12)	225,000	-
Others	105,261	22,348
	<u>730,674</u>	<u>286,787</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**5. RECEIVABLES (Continued)**

Youth Expedition Project

Youth Expedition Project funding is the funding provided by National Youth Council to support youth from educational institution and registered organisation to embark on service-learning projects that involve communities in Asean, China, India and Singapore.

	GROUP AND ASSOCIATION	
	2016	2015
	S\$	S\$
Balance at beginning of year	264,439	55,711
Less: Grant received	(396,956)	(345,613)
Add: grant utilised during the year (Note 14)	532,930	554,341
Balance at end of year	400,413	264,439

**6. AMOUNT DUE FROM A SUBSIDIARY**

Amount due from 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 0.08% to 1.35% (2015: 0.20% to 1.14%) per annum and matured within 2 months to 12 months (2015: 2 months to 12 months).

**8. CASH AND BANK BALANCES**

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

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Australian Dollar	157	14,171	157	103
Singapore Dollar	6,616,567	6,896,949	5,357,787	5,353,027
United States Dollar	5,881	4,810	5,881	4,810
Others	943	1,163	943	1,162
	6,623,548	6,917,093	5,364,768	5,359,102

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**9. CAPITAL REPLACEMENT FUND**

	GROUP AND ASSOCIATION		
	As at 31.12.2016 S\$	Restated As at 31.12.2015 S\$	Restated As at 01.01.2015 S\$
Balance at beginning of year	5,102,434	3,495,675	3,054,033
Transfer from general fund	1,670,834	1,676,325	1,531,732
Amount utilised during the year	-	(69,566)	(1,090,000)
Balance at end of year	<u>6,773,268</u>	<u>5,102,434</u>	<u>3,495,675</u>

**10. FAIR VALUE RESERVE**

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

**11. OTHER FUNDS**

	GROUP AND ASSOCIATION					
	At beginning of year S\$	Receipt S\$	Expense S\$	Net movement S\$	Transfer between funds S\$	At end of year S\$
<u>2016</u>						
<u>Unrestricted Funds- Designated</u>						
Community Service Fund	8,131	165,032	(808,263)	(643,231)	635,100	-
YMCA FACES	220,127	458	(38,232)	(37,774)	-	182,353
YMCA-Lim Kim San						
Volunteers Programme Fund	1,115,881	-	-	-	-	1,115,881
	1,344,139	165,490	(846,495)	(681,005)	635,100	1,298,234
<u>Restricted Funds</u>						
Disaster Relief Fund	49,958	-	(21,860)	(21,860)	-	28,098
ISP Project Fund	29,853	7,079	(9,953)	(2,874)	-	26,979
Project Bridge Fund	212,689	381,536	(790,395)	(408,859)	196,170	-
Rebuilding Community						
Programme @ Dujiangyan Fund	34,969	-	(1,493)	(1,493)	-	33,476
YMCA - Seet Hiong Kiat and						
Kuah Siew Eng Education Fund	20,000	-	(1,425)	(1,425)	-	18,575
Club accounts	6,442	20,204	(23,315)	(3,112)	-	3,330
	353,911	408,819	(848,441)	(439,623)	196,170	110,458
	1,698,050	574,309	(1,694,936)	(1,120,628)	831,270	1,408,692

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**11. OTHER FUNDS (Continued)**

	GROUP AND ASSOCIATION					
	At beginning of year	Receipt	Expense	Net movement	Transfer between funds	At end of year
	S\$	S\$	S\$	S\$	S\$	S\$
Restated 2015 ( Note 26 (b))						
<u>Unrestricted Funds- Designated</u>						
Community Service Fund	256,995	188,932	(815,040)	(626,108)	377,244	8,131
YMCA FACES	256,980	-	(36,853)	(36,853)	-	220,127
YMCA-Lim Kim San Volunteers Programme Fund	1,115,881	-	-	-	-	1,115,881
	1,629,856	188,932	(851,893)	(662,961)	377,244	1,344,139
<u>Restricted Funds</u>						
Disaster Relief Fund	49,839	34,634	(34,515)	119	-	49,958
ISP Project Fund	21,666	24,251	(16,064)	8,187	-	29,853
Project Bridge Fund	133,151	749,280	(669,742)	79,538	-	212,689
Rebuilding Community Programme @ Dujiangyan Fund	86,949	-	(51,980)	(51,980)	-	34,969
YMCA - Seet Hiong Kiat and Kuah Siew Eng Education Fund	20,000	-	-	-	-	20,000
Club accounts	5,463	48,485	(47,506)	979	-	6,442
	317,068	856,650	(819,807)	36,843	-	353,911
	1,946,924	1,045,582	(1,671,700)	(626,118)	377,244	1,698,050

Community Service Fund is 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 programmes which aims to provide personal development and counselling for early school leavers and youth-at-risk.

YMCA – Lim Kim San Volunteers Programme Fund is 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.

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 students who desire to pursue higher education but do not have adequate means to do so.

Clubs accounts are maintained for clubs involved in activities.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**12. PAYABLES AND ACCRUALS**

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Trade payables	295,096	513,283	293,716	503,813
Accruals	1,696,612	1,481,593	1,554,476	1,085,722
Care and Share matching grant	243,792	575,758	243,792	575,758
Deposits payables	638,341	707,293	638,341	707,293
Fees received in advance	1,254,937	939,200	789,940	521,866
	<u>4,128,778</u>	<u>4,217,127</u>	<u>3,520,265</u>	<u>3,394,452</u>

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. Movement of deferred care and share matching grant for the year is as below:-

	GROUP AND ASSOCIATION	
	2016	2015
	S\$	S\$
Balance at beginning of year	575,758	-
Add: Grant received/receivables (Note 5)	1,575,000	675,000
Less: Grant utilised for qualifying expenses (Note 14)	(196,612)	-
Less: Grant utilised for enhancement of assets (Note 3)	<u>(1,710,354)</u>	<u>(99,242)</u>
Balance at end of year	<u>243,792</u>	<u>575,758</u>

**13. OTHER INCOME**

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Management fee income	-	-	1,450,240	1,684,725
Rental	249,708	356,038	249,708	356,038
Sundries	282,409	235,428	166,434	112,382
	<u>532,117</u>	<u>591,466</u>	<u>1,866,382</u>	<u>2,153,145</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**14. TOTAL INCOMING RESOURCES / RESOURCES EXPENDED**

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Total incoming resources for the year are arrived at after crediting:-				
Room and Café revenue	(5,721,702)	(6,275,665)	(5,721,702)	(6,275,665)
Child care and student care fee	(5,475,460)	(4,120,667)	(5,475,460)	(4,120,667)
International service programme	(1,309,050)	(1,237,797)	(1,309,050)	(1,237,797)
Student and child care subsidy from MSF	(2,206,557)	(1,899,619)	(2,206,557)	(1,899,619)
Care and Share matching grant (Note 12)	(196,612)	-	(196,612)	-
Project Bridge VaSSP grant				
- from JP Morgan Chase Foundation	-	(259,980)	-	(259,980)
- from NCSS	(268,162)	(233,538)	(268,162)	(233,538)
Project Bridge Enhanced Step-Up grant				
- from NCSS	(10,425)	(48,993)	(10,425)	(48,993)
- from MSF	(36,270)	(137,032)	(36,270)	(137,032)
YEP funding from NYC (Note 5)	(532,930)	(554,341)	(532,930)	(554,341)
YCS funding from NYC	(13,448)	(113,233)	(13,448)	(113,233)
Wage credit scheme	(543,522)	(441,071)	(516,193)	(438,906)
Total resources expended for the year are arrived at after charging:-				
Cleaning expenses	293,458	280,061	293,458	280,061
Commission	1,408,242	1,448,720	294,148	217,228
Contract Security	192,183	128,100	192,183	128,100
Donation to overseas	25,774	97,583	25,774	97,583
Depreciation (Note 3)	1,235,050	1,423,893	1,200,770	1,389,668
Food and beverages	1,052,647	1,129,115	1,076,513	1,129,115
Insurance	101,934	79,681	101,934	79,681
International service programme fee	1,431,990	1,412,324	1,431,990	1,412,324
License and rental	206,533	205,554	189,943	193,012
Property tax	235,125	392,917	235,125	392,917
Repair and maintenance	320,972	192,535	320,873	192,535
Utilities	328,888	329,885	328,888	329,885
Staff costs* comprise:-				
- Salaries and other costs	12,073,696	10,894,137	11,739,567	10,647,545
- Employer's contribution to CPF	1,537,437	1,394,123	1,491,908	1,355,898

\* Include key management personnel compensation as disclosed in Note 15.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**15. 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.

	2016	2015
	S\$	S\$
Key management personnel compensation comprises:-		
Salaries and other short-term		
employee benefits	703,138	725,443
Employer's contribution to CPF	65,369	57,272
	<u>768,507</u>	<u>782,715</u>

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

	2016	2015
S\$200,001 and above	1	1
S\$100,001 - S\$200,000	4	4
	<u>5</u>	<u>5</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.

**16. TAXATION**

	GROUP	
	2016	2015
	S\$	S\$
Provision in respect of the results of the year	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**16. TAXATION (Continued)**

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

	GROUP	
	2016	2015
	S\$	S\$
Profit before taxation	164,941	1,738,771
Tax calculated at rate of 17%	28,040	295,591
Effect of tax exemption	(28,040)	(295,591)
Effect of enhanced claim	(11,244)	(8,825)
Unrecognised deferred tax assets	11,244	8,825
	-	-

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

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

**17. TAX EXEMPT DONATIONS**

The Association received tax exempt donations amounting to S\$1,398,197 (2015: S\$1,656,363) during the financial year.

**18. RELATED PARTY TRANSACTIONS**

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

	ASSOCIATION	
	2016	2015
	S\$	S\$
Donation income	274,075	861,503
Management fee income	1,450,240	1,684,725
Rental income and other charges	56,703	44,062

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**19. CAPITAL COMMITMENTS**

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

	GROUP AND ASSOCIATION	
	2016	2015
	S\$	S\$
Computer software/system	30,650	207,750
Renovation	8,093	159,160
	<u>38,743</u>	<u>366,910</u>

**20. OPERATING LEASE COMMITMENTS**

*Operating lease commitments – as lessee*

Rental of copiers for the year amounted to S\$48,024 and S\$36,204 (2015: S\$45,421 and S\$33,087) 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	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
Within one year	48,516	41,303	36,696	29,483
After one year but within five years	98,353	74,584	79,191	43,602
	<u>146,869</u>	<u>115,887</u>	<u>115,887</u>	<u>73,085</u>

*Operating lease commitments – as lessor*

Rental income of premises for the year amounted to S\$249,708 and S\$249,708 (2015: S\$356,038 and S\$356,038) 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	
	2016	2015
	S\$	S\$
Within one year	66,588	372,156
After one year but within three years	-	66,588
	<u>66,588</u>	<u>438,744</u>

None of the leases include contingent rent.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**21. 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 out by the Group, which is reviewed on a regular basis by the investment committee and the board of directors.

**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 monitors the credit risk on regular basis and collect advance payment from debtors to mitigate the risk of financial loss from defaults. The group invests in liquid debt and equity securities that have good credit rating. The Group does not expect to incur material credit losses on its financial assets.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

**Liquidity Risk**

The Management manages the liquidity prudently and aims at maintaining an adequate level of cash and cash equivalents to finance the group's operation and to mitigate the effects of fluctuations in cash flows. 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. The carrying amounts of financial liabilities at the reporting date reflect the contracted undiscounted cash flows of the group.

**22. RESERVE POLICY**

The Group has set aside reserves to 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. The reserve ratio stands at 3.0 (2015: 2.9) at the end of reporting date.

The Group has set aside a percentage of its surpluses for large scale asset renewal as capital replacement fund. These reserves will be critical when donations dry up or the economy is at a downturn and they allow 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 and to support its operations.

The Group is not subject to any externally imposed capital requirements. There have been no changes to the Group's approach to reserve management during the financial year.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**23. CLASSIFICATION OF FINANCIAL INSTRUMENTS**

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

	GROUP		ASSOCIATION	
	2016	2015	2016	2015
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Available-for-sale financial assets	5,690,228	6,622,795	5,690,228	6,622,795
Loans and receivables:-				
Receivables	1,171,604	859,584	1,164,848	852,828
Deposits	49,891	41,803	47,386	41,803
Amount due from a subsidiary	-	-	943,062	797,081
Fixed deposits	13,274,209	12,201,230	13,274,209	12,201,230
Cash and bank balances	6,623,548	6,917,093	5,364,768	5,359,102
Total financial assets	26,809,480	26,642,505	26,484,501	25,874,839
<u>Financial liabilities</u>				
At amortised cost:-				
Payables and accruals	2,630,049	2,702,169	2,486,533	2,296,828
Total financial liabilities	2,630,049	2,702,169	2,486,533	2,296,828

**24. CONTINGENT LIABILITY**

As at 31 December, a financial institution has issued letter of guarantee of S\$48,000 (2015: S\$48,000) to a third party on behalf of the Group and the Association.

**25. 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).

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**25. FAIR VALUES (Continued)**

*Fair value of financial instruments that are carried at fair value (Continued)*

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\$5,690,228 (2015: S\$6,622,795) 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.

**26. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES**

**(a) Capital replacement fund**

The capital replacement fund was under-charged in prior years. These omissions affected the capital replacement fund and general fund. The corrections have no impact on the cash flow and results in those years.

The comparatives have been restated retrospectively to present the amount at the beginning and end of the preceding financial years. The effect on the financial statements in the preceding financial years is as follows:-

	As previously reported S\$	Effect of prior year adjustments S\$	As restated S\$
<u>As at 01.01.2015</u>			
Statement of financial position:-			
- General fund	18,350,955	2,286,744	20,637,699
- Capital replacement fund	5,782,419	(2,286,744)	3,495,675
<u>As at 31.12.2015</u>			
Statement of financial position:-			
- General fund	19,436,883	1,581,702	21,018,585
- Capital replacement fund	6,684,136	(1,581,702)	5,102,434

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**26. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES**  
(Continued)

(b) Reclassification - Other funds "project bridge fund"

NCSS requires programs funded by them to be treated as a restricted fund. As a result, the Group reclassified the project bridge fund as restricted fund instead of unrestricted – designated fund. The reclassification has no impact on the cash flows and results in prior years. The reclassification is as follows:-

	As previously reported S\$	Effect of reclassification S\$	As restated S\$
<u>As at 01.01.2015</u>			
Statement of financial position:-			
Unrestricted fund- Other fund	1,763,007	(133,151)	1,629,856
Restricted fund- other fund	<u>183,917</u>	<u>133,151</u>	<u>317,068</u>
<u>As at 31.12.2015</u>			
Statement of financial position:-			
Unrestricted fund- Other fund	1,556,828	(212,689)	1,344,139
Restricted fund- other fund	<u>141,222</u>	<u>212,689</u>	<u>353,911</u>

In addition to the amendment to the statement of financial position and statement of changes in funds, the Note 11 has been re-stated to reflect the impact of prior year reclassification.

**27. 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 2017. Except for FRS 109, the management expects that the adoption of the other standards will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 are described below:-

FRS 109: Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the group to make changes to its current systems and processes.

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**27. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS  
(Continued)**

FRS 109: Financial Instruments (Continued)

FRS109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

**28. AUTHORISATION OF FINANCIAL STATEMENTS**

The board of directors approved and authorised the financial statements for issue on 6 April 2017.