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 2017

NTS/MAX/AL/YL

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

CONTENTS

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 42 are properly drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Group and of the Association as at 31 December 2017 and the results, changes in fund of the Group and of the Association and cash flows of the Group for the financial year ended on that date, 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,

LESLIE WONG
President

TAN ENG BENG
Hon Treasurer

Singapore, 10 APR 2018

KRESTON
DAVID YEUNG PAC

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 2017, 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 accompanying financial statements 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 present fairly, in all material respects, the state of affairs of the Group and of the Association as at 31 December 2017 and the results, 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.

KRESTON
DAVID YEUNG PAC

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 and fair presentation of financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

KRESTON
DAVID YEUNG PAC

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 the Societies Act, the Charities Act and Regulations.

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

a) the 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; and

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

Kreston David Yeung Pac

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

10 April 2018

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
Tel: 6223 7979 Fax: 6222 7979

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

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2017

		GROUP		ASSOCIATION	
		2017	2016	2017	2016
ASSETS	Note	S$	S$	S$	S$
Non-Current Assets					
Property, plant and equipment	3	5,777,664	6,702,284	5,757,437	6,685,218
Available-for-sale financial assets	4	2,829,912	5,690,228	2,829,912	5,690,228
Total Non-Current Assets		8,607,576	12,392,512	8,587,349	12,375,446
Current Assets					
Inventories		15,775	13,085	15,775	13,085
Receivables	5	1,755,953	1,329,121	1,753,833	1,322,365
Prepayments		82,141	308,699	68,788	42,231
Deposits		85,572	49,891	83,067	47,386
Amount due from a subsidiary	6	-	-	1,636,301	943,062
Fair value through profit or loss financial assets	7	12,096,322	-	12,096,322	-
Fixed deposits	8	3,725,441	13,274,209	3,725,441	13,274,209
Cash and bank balances	9	9,017,634	6,623,548	6,350,541	5,364,768
Total Current Assets		26,778,838	21,598,553	25,730,068	21,007,106
Total Assets		35,386,414	33,991,065	34,317,417	33,382,552
FUNDS AND LIABILITIES					
Funds					
Unrestricted Funds					
General fund		18,664,614	19,802,050	18,664,614	19,802,050
Capital replacement fund	10	7,996,171	6,773,268	7,996,171	6,773,268
Fair value reserve	11	191,924	(72,140)	191,924	(72,140)
Other funds	12	1,372,186	1,298,234	1,372,186	1,298,234
Restricted Funds					
Building asset capitalisation reserve		1,835,687	1,950,417	1,835,687	1,950,417
Other funds	12	87,068	110,458	87,068	110,458
Total Funds		30,147,650	29,862,287	30,147,650	29,862,287
Current Liabilities					
Payables and accruals	13	5,238,764	4,128,778	4,169,767	3,520,265
Total Liabilities		5,238,764	4,128,778	4,169,767	3,520,265
Total Funds and Liabilities		35,386,414	33,991,065	34,317,417	33,382,552

The notes set out on pages 11 to 42 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 2017

		GROUP					
		<-------Unrestricted Funds------>					
		General Fund	Designated Funds	Total	Restricted Funds	2017 Total	2016 Total
Incoming Resources	Note	S$	S$	S$	S$	S$	S$
Incoming Resources from Generated Funds							
Voluntary Income							
Donations		79,542	219,415	298,957	-	298,957	210,706
Activities for Generating Funds							
Child Care and Student Care Centres		9,527,776	-	9,527,776	-	9,527,776	8,787,776
Education		3,622,756	-	3,622,756	-	3,622,756	3,797,017
International House		5,826,472	-	5,826,472	-	5,826,472	5,893,999
Membership and Corporate Activities		394,646	-	394,646	11,191	405,837	445,590
Outdoor and Adventure		588,306	-	588,306	-	588,306	407,247
Fund Raising Events		749,785	-	749,785	-	749,785	652,364
Other Income	14	331,939	-	331,939	-	331,939	532,117
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	-	114,730	114,730
		21,235,952	219,415	21,455,367	11,191	21,466,558	20,841,546
Investment Income							
Interest and Dividend Income		362,252	-	362,252	-	362,252	355,144
Gain on fair value through profit or loss investments		43,850	-	43,850	-	43,850	-
Gain/(loss) on disposal of available-for-sales financial assets		130,722		130,722		130,722	(184,405)
		21,772,776	219,415	21,992,191	11,191	22,003,382	21,012,285
Incoming Resources from Charitable Activities							
Community Services *		25,064	34,311	59,375	507,972	567,347	552,491
Volunteer and Youth Development Programmes		456,779	-	456,779	80,169	536,948	388,194
International Service Programmes		1,815,746	-	1,815,746	3,646	1,819,392	1,889,030
		2,297,589	34,311	2,331,900	591,787	2,923,687	2,829,715
TOTAL INCOMING RESOURCES	15	24,070,365	253,726	24,324,091	602,978	24,927,069	23,842,000
Less: Resources Expended							
Costs of Generating Funds							
Child Care and Student Care Centres		8,415,326	-	8,415,326	-	8,415,326	7,898,135
Education		2,348,615	-	2,348,615	-	2,348,615	2,140,921
International House		6,803,828	-	6,803,828	-	6,803,828	6,894,369
Membership and Corporate Activities		698,361	-	698,361	11,713	710,074	741,962
Outdoor and Adventure		612,894	-	612,894	-	612,894	445,481
Fund Raising Events		201,944	-	201,944	-	201,944	127,003
Other Operating Expenses		836,179	-	836,179	-	836,179	662,106
		19,917,147	-	19,917,147	11,713	19,928,860	18,909,977
Investment expenses							
Management fee		38,428	-	38,428	-	38,428	-
		38,428	-	38,428	-	38,428	-
Resources Expended on Charitable Activities							
Community Services *		303,040	802,544	1,105,584	768,449	1,874,033	1,876,263
Volunteer and Youth Development Programmes		924,332	-	924,332	50,726	975,058	892,303
International Service Programmes		1,789,617	-	1,789,617	55,957	1,845,574	1,868,247
		3,016,989	802,544	3,819,533	875,132	4,694,665	4,636,813
Governance Costs		107,753	-	107,753	-	107,753	134,744
Loss/(Gain) on disposal of property, plant and equipment		21,334	-	21,334	-	21,334	(4,475)
TOTAL RESOURCES EXPENDED	15	23,101,651	802,544	23,904,195	886,845	24,791,040	23,677,059
Net surplus for the year before taxation		968,714	(548,818)	419,896	(283,867)	136,029	164,941
Less: Taxation	16	-	-	-	-	-	-
Net surplus for the year		968,714	(548,818)	419,896	(283,867)	136,029	164,941
Fund balances at beginning of the year		19,802,050	7,999,362	27,801,412	2,060,875	29,862,287	29,922,455
Transfer between funds		(2,106,150)	1,845,673	(260,477)	260,477	-	-
Net movement on available-for-sale financial assets		-	264,064	264,064	-	264,064	(110,379)
Amortisation of Buidling Assets Capitalisation Reserve		-	-	-	(114,730)	(114,730)	(114,730)
Fund balances at end of the year		18,664,614	9,560,281	28,224,895	1,922,755	30,147,650	29,862,287

* 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 42 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 2017

		ASSOCIATION					
		<---------Unrestricted Funds---------->					
		General Fund	Designated Funds	Total	Restricted Funds	2017 Total	2016 Total
Incoming Resources	Note	S$	S$	S$	S$	S$	S$
Incoming Resources from Generated Funds							
Voluntary Income							
Donations		144,586	219,415	364,001	-	364,001	484,780
Activities for Generating Funds							
Child Care and Student Care Centres		9,527,776	-	9,527,776	-	9,527,776	8,787,776
Education		399,587	-	399,587	-	399,587	262,965
International House		5,874,214	-	5,874,214	-	5,874,214	5,950,703
Membership and Corporate Activities		394,646	-	394,646	11,191	405,837	445,590
Outdoor and Adventure		588,306	-	588,306	-	588,306	407,247
Fund Raising Events		749,785	-	749,785	-	749,785	652,364
Other Income	14	1,484,956	-	1,484,956	-	1,484,956	1,866,382
Amortisation of Building Asset Capitalisation Reserve		114,730	-	114,730	-	114,730	114,730
		19,278,586	219,415	19,498,001	11,191	19,509,192	18,972,537
Investment Income							
Interest and Dividend Income		361,612	-	361,612	-	361,612	353,810
Gain on fair value through profit or loss investments		43,850	-	43,850	-	43,850	-
Gain/(loss) on disposal of Available-for-sales financial assets		130,722	-	130,722	-	130,722	(184,405)
		19,814,770	219,415	20,034,185	11,191	20,045,376	19,141,942
Incoming Resources from Charitable Activities							
Community Services *		25,064	34,311	59,375	507,972	567,347	552,491
Volunteer and Youth Development Programmes		456,779	-	456,779	80,169	536,948	388,194
International Service Programmes		1,815,746	-	1,815,746	3,646	1,819,392	1,889,030
		2,297,589	34,311	2,331,900	591,787	2,923,687	2,829,715
TOTAL INCOMING RESOURCES	15	22,112,359	253,726	22,366,085	602,978	22,969,063	21,971,657
Less: Resources Expended							
Costs of Generating Funds							
Child Care and Student Care Centres		8,415,326	-	8,415,326	-	8,415,326	7,898,135
Education		400,992	-	400,992	-	400,992	271,482
International House		6,803,582	-	6,803,582	-	6,803,582	6,895,348
Membership and Corporate Activities		697,554	-	697,554	11,713	709,267	740,369
Outdoor and Adventure		612,894	-	612,894	-	612,894	445,481
Fund Raising Events		201,944	-	201,944	-	201,944	127,003
Other Operating Expenses		836,179	-	836,179	-	836,179	662,106
		17,968,471	-	17,968,471	11,713	17,980,184	17,039,924
Investment expenses							
Management fee		38,428	-	38,428	-	38,428	-
		38,428	-	38,428	-	38,428	-
Resources Expended on Charitable Activities							
Community Services *		303,040	802,544	1,105,584	768,449	1,874,033	1,875,973
Volunteer and Youth Development Programmes		924,332	-	924,332	50,726	975,058	892,303
International Service Programmes		1,789,617	-	1,789,617	55,957	1,845,574	1,868,247
		3,016,989	802,544	3,819,533	875,132	4,694,665	4,636,523
Governance Costs		98,423	-	98,423	-	98,423	134,744
Loss/(Gain) on disposal of property, plant and equipment		21,334	-	21,334	-	21,334	(4,475)
TOTAL RESOURCES EXPENDED	15	21,143,645	802,544	21,946,189	886,845	22,833,034	21,806,716
Net surplus for the year		968,714	(548,818)	419,896	(283,867)	136,029	164,941
Fund balances at beginning of the year		19,802,050	7,999,362	27,801,412	2,060,875	29,862,287	29,922,455
Transfer between funds		(2,106,150)	1,845,673	(260,477)	260,477	-	-
Net movement on available-for-sale financial assets		-	264,064	264,064	-	264,064	(110,379)
Amortisation of Buidling Assets Capitalisation Reserve		-	-	-	(114,730)	(114,730)	(114,730)
Fund balances at end of the year		18,664,614	9,560,281	28,224,895	1,922,755	30,147,650	29,862,287

* 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 42 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 2017

	<----Unrestricted	----	----	---->	<--Restricted	-->	
		<---- Designated	---->				
GROUP	General Fund S$	Fair Value Reserve S$	Capital Replacement Fund S$	Other Funds S$	Building Asset Capitalisation Reserve S$	Other Funds S$	Total S$
Balance at 01.01.2016	21,018,585	38,239	5,102,434	1,344,139	2,065,147	353,911	29,922,455
Net surplus for the year							
- Unrestricted funds	1,285,569	-	-	(681,005)	-	-	604,564
- Restricted funds	-	-	-	-	-	(439,623)	(439,623)
Net fair value loss on available-for-sale financial assets	-	(277,077)	-	-	-	-	(277,077)
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)	-	(114,730)
Balance at 31.12.2016/01.01.2017	19,802,050	(72,140)	6,773,268	1,298,234	1,950,417	110,458	29,862,287
Net surplus for the year							
- Unrestricted funds	968,714	-	-	(548,818)	-	-	419,896
- Restricted funds	-	-	-	-	-	(283,867)	(283,867)
Net fair value gain on available-for-sale financial assets	-	379,712	-	-	-	-	379,712
Reclassification on disposal of available-for-sale financial assets	-	(115,648)	-	-	-	-	(115,648)
Transfer during the year	(2,106,150)	-	1,222,903	622,770	-	260,477	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	-	(114,730)	-	(114,730)
Balance at 31.12.2017	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068	30,147,650
				Note 12		Note 12	
		<----S$9,560,281	----	---->	<----S$1,922,755	---->	

The notes set out on pages 11 to 42 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 CHANGES IN FUNDS
For the financial year ended 31 December 2017

	<----Unrestricted			---->	<---Restricted	--->	
		<---- Designated		---->			
ASSOCIATION	General Fund S$	Fair Value Reserve S$	Capital Replacement Fund S$	Other Funds S$	Building Asset Capitalisation Reserve S$	Other Funds S$	Total S$
Balance at 01.01.2016	21,018,585	38,239	5,102,434	1,344,139	2,065,147	353,911	29,922,455
Net surplus for the year							
- Unrestricted funds	1,285,569	-	-	(681,005)	-	-	604,564
- Restricted funds	-	-	-	-	-	(439,623)	(439,623)
Net fair value loss on available-for-sale financial assets	-	(277,077)	-	-	-	-	(277,077)
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)	-	(114,730)
Balance at 31.12.2016/01.01.2017	19,802,050	(72,140)	6,773,268	1,298,234	1,950,417	110,458	29,862,287
Net surplus for the year							
- Unrestricted funds	968,714	-	-	(548,818)	-	-	419,896
- Restricted funds	-	-	-	-	-	(283,867)	(283,867)
Net fair value gain on available-for-sale financial assets	-	379,712	-	-	-	-	379,712
Reclassification on disposal of available-for-sale financial assets	-	(115,648)	-	-	-	-	(115,648)
Transfer during the year	(2,106,150)	-	1,222,903	622,770	-	260,477	-
Amortisation of Building Asset Capitalisation Reserve	-	-	-	-	(114,730)	-	(114,730)
Balance at 31.12.2017	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068	30,147,650
				Note 12		Note 12	
		<----S$9,560,281		---->	<---S$1,922,755	--->	

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2017

	2017 S$	2016 S$
Cash flows from operating activities		
Net surplus for the year	136,029	164,941
Adjustments for: -		
Depreciation of property, plant and equipment	947,379	1,235,050
Amortisation of building asset capitalisation reserve	(114,730)	(114,730)
Loss/(gain) on disposal of property, plant and equipment	21,334	(4,475)
Interest and dividend income	(362,252)	(355,144)
(Gain)/loss on disposal of available-for-sale financial assets	(130,722)	184,405
Gain on fair value through profit or loss financial assets	(43,850)	-
Operating surplus before working capital changes	453,188	1,110,047
(Increase)/decrease in inventories	(2,690)	808
Decrease/(Increase) in receivables, prepayments and deposits	405,141	(316,307)
Increase/(decrease) in payables and accruals	459,986	(313,347)
Net cash generated from operating activities	1,315,625	481,201
Cash flows from investing activities		
Grant received for acquisition of property, plant and equipment	421,569	1,920,198
Proceeds from disposal of available-for-sale financial assets	3,255,101	1,135,723
Proceeds from disposal of property, plant and equipment	-	6,133
Purchase of available-for-sale financial assets	-	(497,940)
Funds with investment manager:		
- Purchase of fair value through profit or loss financial assets	(18,245,342)	-
- Proceeds from disposal of fair value through profit or loss financial assets	6,192,870	-
- Increase of cash held with investment manager	(1,251,326)	-
Purchase of property, plant and equipment	(465,661)	(2,622,037)
Interest and dividend received	371,156	356,156
Net cash (used in)/generated from investing activities	(9,721,633)	298,233
Net (decrease)/increase in cash and cash equivalents	(8,406,008)	779,434
Cash and cash equivalents at beginning of year	19,897,757	19,118,323
Cash and cash equivalents at end of year	11,491,749	19,897,757
Cash and cash equivalents comprise:-		
Cash and bank balances	7,766,308	6,623,548
Fixed deposits	3,725,441	13,274,209
	11,491,749	19,897,757

The notes set out on pages 11 to 42 form an integral part of and should be read in conjunction with this set of financial statements.

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 2017. 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.

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 and judgements 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 (Note 2 (e). 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.

Financial risk management

Financial risk management information on accounting estimate and judgements are set out in Note 22.

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.

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-subsidiary relationships were not established until after the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Inventories

Inventories comprising of goods like gifts 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.

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.

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

i) **Financial Assets** (Continued)

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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in surplus or deficit. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

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 is reclassified from fair value reserve to surplus or deficit as a reclassification adjustment when the financial asset is derecognised.

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.

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.

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.

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.

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 are 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 and course fee* - over the period of the course conducted
iii) *Child and Student Care* - when the services are rendered
iv) *Other services* - when services are rendered
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

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.

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.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold Land and Building S$	Plant and Machinery S$	Renovation S$	Computer Equipment S$	Office Equipment S$	Furniture and Fittings S$	Computer Software S$	Assets under Construction S$	Total S$
Cost									
At 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 31.12.2016/01.01.2017	12,079,195	1,374,153	5,339,174	500,977	399,750	607,969	336,236	36,906	20,674,360
Additions	-	16,980	23,492	49,490	8,595	30,118	133,451	203,535	465,661
Grants received/receivable	-	-	(224,981)	(3,560)	(2,240)	(27,474)	(163,314)	-	(421,569)
Disposals	-	(30,000)	(38,567)	(1,051)	(6,328)	(21,472)	-	-	(97,418)
Reclassification	-	-	16,185	-	5,933	(5,933)	45,863	(62,048)	-
At 31.12.2017	12,079,195	1,361,133	5,115,303	545,856	405,710	583,208	352,236	178,393	20,621,034
Accumulated Depreciation									
At 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 31.12.2016/01.01.2017	7,725,914	455,769	4,409,928	313,904	324,227	470,925	271,409	-	13,972,076
Depreciation for the year	241,583	161,754	340,547	93,079	21,793	38,092	50,531	-	947,379
Disposals	-	(27,500)	(25,952)	(1,051)	(7,869)	(13,713)	-	-	(76,085)
At 31.12.2017	7,967,497	590,023	4,724,523	405,932	338,151	495,304	321,940	-	14,843,370
Net Book Value									
At 31.12.2017	4,111,698	771,110	390,780	139,924	67,559	87,904	30,296	178,393	5,777,664
At 31.12.2016	4,353,281	918,384	929,246	187,073	75,523	137,044	64,827	36,906	6,702,284

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 13) amounting to S$385,695 (2016: S$1,710,354), Start-up Grant amounting to S$4,080 (2016: S$197,815), MSF Funding amounting to S$31,794 (2016: S$NIL) and Pre-School Learning Centre Management System grant amounting to S$NIL (2016: S$12,029) respectively.

Included in computer software is staff cost capitalised amounting to S$89,959 (2016: S$381,456) for the implementation of accounting and customer relationship management systems.

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

ASSOCIATION	Leasehold Land and Building S$	Plant and Machinery S$	Renovation S$	Computer Equipment S$	Office Equipment S$	Furniture and Fittings S$	Computer Software S$	Assets under Construction S$	Total S$
Cost									
At 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/ 01.01.2017	12,079,195	1,374,153	5,339,174	478,219	396,747	593,894	264,236	36,906	20,562,524
Additions	-	16,980	12,732	44,670	8,595	25,868	133,451	203,535	445,831
Grants received / receivable	-	-	(224,981)	(3,560)	(2,240)	(27,474)	(163,314)	-	(421,569)
Disposals	-	(30,000)	(38,567)	(1,051)	(6,328)	(20,847)	-	-	(96,793)
Reclassification	-	-	16,185	-	5,933	(5,933)	45,863	(62,048)	-
At 31.12.2017	12,079,195	1,361,133	5,104,543	518,278	402,707	565,508	280,236	178,393	20,489,993
Accumulated Depreciation									
At 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 31.12.2016/01.01.2017	7,725,913	455,769	4,409,928	294,493	321,417	458,377	211,409	-	13,877,306
Depreciation for the year	241,583	161,754	339,471	90,196	21,600	37,574	38,531	-	930,709
Disposals	-	(27,500)	(25,952)	(1,051)	(7,869)	(13,087)	-	-	(75,459)
At 31.12.2017	7,967,496	590,023	4,723,447	383,638	335,148	482,864	249,940	-	14,732,556
Net Book Value									
At 31.12.2017	4,111,699	771,110	381,096	134,640	67,559	82,644	30,296	178,393	5,757,437
At 31.12.2016	4,353,282	918,384	929,246	183,726	75,330	135,517	52,827	36,906	6,685,218

4. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	GROUP AND ASSOCIATION	
	2017	2016
Quoted investments	S$	S$
Corporate Bonds*		
Balance at beginning of year	1,008,942	971,875
Net fair value gains recognised in reserve	15,845	37,067
Balance at end of year	1,024,787	1,008,942
Equities		
Balance at beginning of year	3,116,354	3,075,768
Additions	-	497,940
Disposal	(2,516,756)	(200,940)
Net fair value gains/(losses) recognised in reserve	147,617	(256,414)
Balance at end of year	747,215	3,116,354
REITs		
Balance at beginning of year	1,564,932	2,575,152
Disposals	(723,272)	(952,490)
Net fair value gains/(losses) recognised in reserve	216,250	(57,730)
Balance at end of year	1,057,910	1,564,932
Total available-for-sale financial assets at end of year	2,829,912	5,690,228

*Corporate Bonds comprise:-		
2.95% p.a. corporate bond due on 20.06.2022	253,387	250,937
3.27% p.a. corporate bond due on 19.02.2020	256,125	259,385
3.80% p.a. corporate bond due on 23.04.2027	515,275	498,620
	1,024,787	1,008,942

5. RECEIVABLES

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Event advances	185,163	157,517	185,163	157,517
Grant receivables	1,370,998	730,674	1,370,998	730,674
Interest receivables	8,379	17,283	8,379	17,283
Other receivables	94,667	57,897	92,547	57,897
Trade receivables	96,746	365,750	96,746	358,994
	1,755,953	1,329,121	1,753,833	1,322,365

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	
	2017	2016	2017	2016
	S$	S$	S$	S$
Not past due	45,948	105,525	45,948	105,525
Past due 1-30 days	13,707	163,154	13,707	163,154
Past due 31-60 days	3,476	87,759	3,476	87,759
Past due more than 60 days	33,615	9,312	33,615	2,556
	96,746	365,750	96,746	358,994

Trade receivables include amount of S$50,798 and S$50,798 (2016: S$260,225 and S$253,469) for the Group and the Association respectively which are past due at the end of reporting period but not impaired. During the financial year, the Group and Association recognised waiver of students fees amounted of S$42,067 (2016: S$39,304) which is included in fee income from child care and student care centres.

The grant receivables comprise:-

	GROUP AND ASSOCIATION	
	2017	2016
	S$	S$
Youth Expedition Project funding	478,539	400,413
Care and Share matching grant (Note 13)	875,000	225,000
Others	17,459	105,261
	1,370,998	730,674

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	
	2017	2016
	S$	S$
Balance at beginning of year	400,413	264,439
Less: Grant received	(470,354)	(396,956)
Add: Grant utilised during the year (Note 15)	548,480	532,930
Balance at end of year	478,539	400,413

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. FAIR VALUE THROUGH PROFT OR LOSS FINANCIAL ASSETS

	GROUP AND ASSOCIATION	
	2017	2016
	S$	S$
The investments comprise:-		
Debt securities	5,402,812	-
Quoted equities	5,797,931	-
REITS	797,885	-
	11,998,628	-
Derivative - Forward currency contracts	72,389	-
Accrued interest	25,305	-
	12,096,322	-

7. FAIR VALUE THROUGH PROFT OR LOSS FINANCIAL ASSETS (Continued)

	GROUP AND ASSOCIATION	
	2017	2016
	S$	S$
The fair value through profit or loss financial assets are denominated in the following currencies:-		
Australian Dollar	230,532	-
British Pound	132,357	-
Canadian Dollar	412,580	-
Euro	1,152,238	-
Hong Kong Dollar	754,361	-
Japanese Yen	716,224	-
Singapore Dollar	3,422,377	-
Swiss Franc	542,255	-
United States Dollar	4,733,398	-
	12,096,322	-

	Effective interest rate %	Within 1 year S$	2 to 5 year S$	After 5 years and < 10 years S$	Total S$
2017					
Debt securities and deposits (Note 9)	2.75 to 4	2,560,363	2,495,390	1,598,385	6,654,138
2016					
Debt securities and deposits	-	-	-	-	-

The Investment Committee reports to the Board on the investment strategy and performance of the Group. It reviews and monitors the performance and strategy of the Group's investment on a regular basis to ensure that the returns are optimised and the risk exposure is kept at an acceptable level. During the financial year, the Group appointed a professional asset manager to invest and manage the surplus from the general funds. The Asset Manager has been given full discretionary mandate subject to the Group's investment guidelines, and reports the investment holdings and performance to the Management and Investment Committee on a regular basis.

As at the reporting date, the investment portfolio comprises mainly bonds and equities, and the derivatives are contracts transacted by the Asset Manager to hedge the foreign currency exposure arising from the investment portfolio managed by them.

8. FIXED DEPOSITS

Fixed deposits earned interest ranging from 0.45% to 1.28% (2016: 0.08% to 1.35%) per annum and matured within 3 months to 12 months (2016: 2 months to 12 months).

9. CASH AND BANK BALANCES

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Cash and bank balances are denominated in the following currencies: -				
Australian Dollar	521	157	521	157
Euro	217,659	-	217,659	-
Singapore Dollar	8,761,830	6,616,567	6,094,737	5,357,787
United States Dollar	37,570	5,881	37,570	5,881
Others	54	943	54	943
	9,017,634	6,623,548	6,350,541	5,364,768

Included in cash and bank balances is an amount of S$1,251,326 which is held with the asset manager for future investments.

10. CAPITAL REPLACEMENT FUND

	GROUP AND ASSOCIATION	
	2017	2016
	S$	S$
Balance at beginning of year	6,773,268	5,102,434
Transfer from general fund	1,712,580	1,670,834
Transfer to general fund :-		
- Amount utilised during the year	(489,677)	-
Balance at end of year	7,996,171	6,773,268

11. FAIR VALUE RESERVE

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

12. 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$
2017						
Unrestricted Funds- Designated						
Community Service Fund	-	153,726	(776,496)	(622,770)	622,770	-
YMCA FACES	182,353	-	(26,048)	(26,048)	-	156,305
YMCA-Lim Kim San Volunteers Programme Fund	1,115,881	-	-	-	-	1,115,881
YMCA-Robert Loh Social Service Internship	-	100,000	-	100,000	-	100,000
	1,298,234	253,726	(802,544)	(548,818)	622,770	1,372,186
Restricted Funds						
Disaster Relief Fund	28,098	-	(23,178)	(23,178)	-	4,920
ISP Project Fund	26,979	3,646	(12,161)	(8,515)	-	18,464
Project Bridge Fund	-	507,972	(768,449)	(260,477)	260,477	-
Rebuilding Community Programme @ Dujiangyan Fund	33,476	-	(10,569)	(10,569)	-	22,907
YMCA - Seet Hiong Kiat and Kuah Siew Eng Education Fund	18,575	-	(10,049)	(10,049)	-	8,526
ITE Elevate Fund	-	80,169	(50,726)	29,443	-	29,443
Club accounts	3,330	11,191	(11,713)	(522)	-	2,808
	110,458	602,978	(886,845)	(283,867)	260,477	87,068
	1,408,692	856,704	(1,689,389)	(832,685)	883,247	1,459,254
2016						
Unrestricted Funds- Designated						
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
Restricted Funds						
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

12. OTHER FUNDS (Continued)

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.

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

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

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

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

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

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

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

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

Clubs accounts are maintained for YMCA clubs involved in activities.

13. PAYABLES AND ACCRUALS

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Trade payables	370,909	295,096	364,082	293,716
Accruals	2,405,715	1,696,612	1,951,820	1,554,476
Care and share matching grant	484,467	243,792	484,467	243,792
Other grants received in advance	212,362	-	212,362	-
Deposits payables	550,753	638,341	550,753	638,341
Fees received in advance	1,214,558	1,254,937	606,283	789,940
	5,238,764	4,128,778	4,169,767	3,520,265

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	
	2017	2016
	S$	S$
Balance at beginning of year	243,792	575,758
Add: Grant received/receivables (Note 5)	650,000	1,575,000
Less: Grant utilised for qualifying expenses (Note 15)	(23,630)	(196,612)
Less: Grant utilised for enhancement of assets (Note 3)	(385,695)	(1,710,354)
Balance at end of year	484,467	243,792

14. OTHER INCOME

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Management fee income	-	-	1,271,823	1,450,240
Rental	62,427	249,708	62,427	249,708
Sundries	269,512	282,409	150,706	166,434
	331,939	532,117	1,484,956	1,866,382

15. TOTAL INCOMING RESOURCES / RESOURCES EXPENDED

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Total income resources for the year are arrived at after crediting:-				
Room and Café revenue	(5,705,522)	(5,721,702)	(5,705,522)	(5,721,702)
Child care and student care fee	(6,268,231)	(5,475,460)	(6,268,231)	(5,475,460)
International service programme	(1,268,453)	(1,309,050)	(1,268,453)	(1,309,050)
Student and child care subsidy from MSF	(2,302,169)	(2,206,557)	(2,302,169)	(2,206,557)
Care and Share matching grant (Note 13)	(23,630)	(196,612)	(23,630)	(196,612)
Project Bridge VaSSP grant				
- from NCSS	(168,899)	(268,162)	(168,899)	(268,162)
- from Barclays	(176,660)	-	(176,660)	-
Project Bridge Enhanced Step-Up grant				
- from NCSS	(15,505)	(10,425)	(15,505)	(10,425)
- from MSF	(80,739)	(36,270)	(80,739)	(36,270)
YEP funding from NYC (Note 5)	(548,480)	(532,930)	(548,480)	(532,930)
Project Elevate grant				
- from NCSS	(80,169)	-	(80,169)	-
YCS funding from NYC	(2,459)	(13,448)	(2,459)	(13,448)
Citi-Youth For Causes				
- from Citibank	(368,990)	(304,382)	(368,990)	(304,382)
Wage credit scheme	(195,013)	(543,522)	(186,906)	(516,193)

15. TOTAL INCOMING RESOURCES / RESOURCES EXPENDED (Continued)

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Total resources expended for the year are arrived at after charging:-				
Cleaning expenses	301,380	293,458	301,380	293,458
Commission	1,678,957	1,542,287	410,733	428,193
Contract Security	217,669	192,183	217,669	192,183
Donation to overseas	11,779	25,774	11,779	25,774
Depreciation (Note 3)	947,379	1,235,050	930,709	1,200,770
Education related expenses	395,387	456,928	354,236	373,130
Food and beverages	1,007,520	1,052,647	1,031,714	1,076,513
Instructor/coach fees	240,878	182,332	240,878	182,332
Insurance	127,907	101,934	108,149	101,934
International service programme fee	1,450,046	1,431,990	1,450,046	1,431,990
IT expenses	187,129	159,665	181,129	159,335
License and rental	307,576	343,240	258,612	285,413
Outdoor and adventure expenses	421,191	285,370	421,191	285,370
Programme course fees	589,720	392,475	589,720	392,475
Property tax	277,875	235,125	277,875	235,125
Repair and maintenance	388,621	320,972	387,821	320,873
Utilities	324,872	328,888	324,872	328,888
Staff costs* comprise:-				
- Salaries and other costs	13,008,067	12,073,696	12,634,762	11,739,567
- Employer's contribution to CPF	1,586,852	1,537,437	1,535,457	1,491,908

Governance costs are costs attributable to the general running of the Group and Association, in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirement.

* Include key management personnel compensation as disclosed in Note 18.

16. TAXATION

	GROUP	
	2017	2016
	S$	S$
Provision in respect of the results of the year	-	-

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	
	2017	2016
	S$	S$
Profit before taxation	136,029	164,941
Tax calculated at rate of 17%	23,125	28,040
Effect of tax exemption	(23,125)	(28,040)
Effect of enhanced claim	(12,583)	(11,244)
Unrecognised deferred tax assets	12,583	11,244
	-	-

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$828,095 (2016: S$1,398,197) during the financial year.

18. 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.

	2017	2016
	S$	S$
Key management personnel compensation comprises:-		
Salaries and other short-term employee benefits	774,665	703,138
Employer's contribution to CPF	58,612	65,369
	833,277	768,507

18. KEY MANAGEMENT PERSONNEL COMPENSATION Continued)

The below disclosure represents remuneration bands for key management personnel with annual remuneration above S$100,000 in the year is as follow:-

	2017	2016
S$200,001 and above	1	1
S$100,001 - S$200,000	3	4
	4	5

Included in salaries and other short-term employee benefit is severance pay of S$49,915 (2016: S$NIL).

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.

19. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere to the financial statements, the following significant transactions took place between the Association and the subsidiary at mutually agreed terms during the financial year:-

	ASSOCIATION	
	2017	2016
	S$	S$
Donation income	65,044	274,074
Management fee income	1,271,823	1,450,240
Rental income and other charges	48,795	56,703

20. CAPITAL COMMITMENTS

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

	GROUP AND ASSOCIATION	
	2017	2016
	S$	S$
Computer software/system	46,580	30,650
Renovation	640,542	8,093
	687,122	38,743

21. OPERATING LEASE COMMITMENTS

Operating lease commitments – as lessee

Rental of copiers for the year amounted to S$46,629 and S$34,809 (2016: 48,024 and S$36,204) 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	
	2017	2016	2017	2016
	S$	S$	S$	S$
Within one year	48,948	48,516	37,068	36,696
After one year but within five years	72,571	98,353	55,709	79,191
	121,519	146,869	92,777	115,887

Operating lease commitments – as lessor

Rental income of premises for the year amounted to S$62,427 and S$62,427 (2016: S$249,708 and S$249,708) for the Group and the Association respectively.

At the end of the 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	
	2017	2016
	S$	S$
Within one year	164,565	66,588
After one year but within three years	325,530	-
	490,095	66,588

None of the leases include contingent rent.

22. 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 exposure to foreign exchange risk mainly as a result of investments denominated in foreign currencies other than Singapore dollar, arising from investment activities undertaken during the financial year. These foreign-denominated investments were made by the Asset Manager, and the Group has a hedging arrangement in place with them.

Sensitivity analysis for foreign currency risk

At the end of the reporting period, the Group is not significantly exposed to foreign exchange 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 rate. 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 in financial instruments held by the Group. 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 investment guidelines set out by the Investment Committee and the Board. The guidelines are reviewed on a regular basis by the Investment Committee and the Board.

An investment asset manager (who is an established financial institution) was engaged to manage the investment portfolio of the Group during the financial year.

Market risk sensitivity analysis

If the price of debts and equity investments increase or decrease by 5% (2016: 5%) and 10% (2016: 10%) with all other variables being held constant, the after tax effect on result would have been increase /decrease by S$320,000 (2016: S$50,000) and S$840,000 (2016: S$468,000) respectively.

22. 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 monitors the credit risk on a regular basis and collects advance payment from debtors to mitigate the risk of financial loss from defaults. As regards the management of credit risks of investments, the investment guidelines (Note 7) of the Group set out the assets rating and allocation requirements of the portfolio. The Group does not expect to incur material credit losses on its financial assets. As at the reporting date, there is no significant concentration 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 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.

23. 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. The reserve ratio stands at 0.8 (2016: 0.9) as at the end of reporting date.

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

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.

24. CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	GROUP		ASSOCIATION	
	2017	2016	2017	2016
	S$	S$	S$	S$
Financial assets				
Available-for-sale financial assets	2,829,912	5,690,228	2,829,912	5,690,228
Fair value through profit or loss	12,096,322	-	12,096,322	-
Loans and receivables:-				
Receivables	1,570,790	1,171,604	1,568,670	1,164,848
Deposits	85,572	49,891	83,067	47,386
Amount due from a subsidiary	-	-	1,636,301	943,062
Fixed deposits	3,725,441	13,274,209	3,725,441	13,274,209
Cash and bank balances	9,017,634	6,623,548	6,350,541	5,364,768
Total financial assets	29,325,671	26,809,480	28,290,254	26,484,501
Financial liabilities				
At amortised cost:-				
Payables and accruals	3,059,038	2,630,049	2,621,929	2,486,533
Total financial liabilities	3,059,038	2,630,049	2,621,929	2,486,533

25. CONTINGENT LIABILITY

The Group has no contingent liability as at end of reporting period. As at 31 December 2016, a financial institution has issued letter of guarantee of S$48,000 to a third party on behalf of the Group and the Association.

26. 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).

	Level 1 US$	Level 2 US$	Level 3 US$
2017			
Available-for-sale financial assets	2,829,912	-	-
Fair value through profit or loss financial assets	6,595,816	5,500,506	-
2016			
Available-for-sale financial assets	5,690,228	-	-

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.

Unquoted bonds, equities and REITS: The fair value is provided by the investment asset manager.

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 fair value through profit or loss financial assets and available-for-sale instruments) and financial liabilities are recorded in the financial statements at their approximate fair values, due to relatively short term of these instruments.

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 2018. Except for FRS 109 and FRS 116, 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 and FRS 116 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.

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.

FRS 116 Leases

FRS 116 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 January 2019. The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

28. AUTHORISATION OF FINANCIAL STATEMENTS

The board of directors approved and authorised the financial statements for issue on 10 April 2018.