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

Statement by board of directors and financial statements

Year ended 31 December 2019

RSM Chio Lim LLP

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

Statement by board of directors and financial statements

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

Statement by board of directors

The board of directors of the Young Men's Christian Association of Singapore (the "Association") are pleased to present the accompanying financial statements of the Association and its subsidiary (the "Group") for the reporting year ended 31 December 2019.

In the opinion of the board of directors:

(a) The accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are drawn up in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations, and the Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Association as at 31 December 2019, and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and the financial performance and changes in funds of the Association for the year ended 31 December 2019; and

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

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

On behalf of the board of directors,

....	....
Albert Ching Liang Heng	Tony Soh Cheow Yeow
President	Honorary Treasurer

14 April 2020

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

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of the Young Men's Christian Association of Singapore (the "Association") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Association as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in funds of the Association for the reporting year then ended, and significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in funds of the Association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and the Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Association as at 31 December 2019, and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and the financial performance and changes in funds of the Association for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by the board of directors and the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this audit report.

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

Other information (cont'd)

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal and regulatory requirements

In our opinion:

(a) The accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations; and

(b) The fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

(a) The Association has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

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

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

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

14 April 2020

Engagement partner – effective from reporting year ended 31 December 2018

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

Statements of comprehensive income
Year ended 31 December 2019

	Note	Group 2019: Unrestricted General fund $	Unrestricted Designated funds $	Unrestricted Total $	Restricted funds $	2019 $	Group 2018: Unrestricted General fund $	Unrestricted Designated funds $	Unrestricted Total $	Restricted funds $	2018 $
Incoming resources											
Incoming resources from generated funds											
Voluntary income											
Donation income		81,301	497,527	578,828	178,992	757,820	43,456	432,925	476,381	–	476,381
Activities for generating funds											
Childcare and student care centres		11,468,375	–	11,468.375	–	11,468.375	9,717,570	–	9,717,570	–	9,717,570
Education		2,371,635	–	2,371,635	–	2,371,635	2,977,998	–	2,977,998	–	2,977,998
International House		5,596,278	–	5,596,278	–	5,596,278	5,666,161	–	5,666,161	–	5,666,161
Membership and corporate activities		329,903	–	329,903	9,169	339,072	404,657	–	404,657	8,557	413,214
Outdoor and adventure		472,927	–	472,927	–	472,927	622,859	–	622,859	–	622,859
Fund raising events		442,858	–	442,858	–	442,858	817,105	–	817,105	–	817,105
Other income	6	576,117	–	576,117	–	576,117	500,181	–	500,181	–	500,181
Amortisation of building asset capitalisation reserve		114,732	–	114,732	–	114,732	114,732	–	114,732	–	114,732
		21,454,126	497,527	21,951,653	188,161	22,139,814	20,864,719	432,925	21,297,644	8,557	21,306,201
Investment income											
Interest and dividend income		413,411	–	413,411	–	413,411	567,633	–	567,633	–	567,633
Gain on fair value of investments through profit or loss		518,318	–	518,318	–	518,318	–	–	–	–	–
		22,385,855	497,527	22,883,382	188,161	23,071,543	21,432,352	432,925	21,865,277	8,557	21,873,834
Incoming resources from charitable activities											
Community services *		82,600	46,179	128,779	247,127	375,906	1,513	20,213	21,726	518,079	539,805
Volunteer and youth development programmes		382,854	–	382,854	187,832	570,686	399,843	–	399,843	141,289	541,132
International service programmes		1,261,124	–	1,261,124	6,255	1,267,379	1,544,202	–	1,544,202	6,807	1,551,009
		1,726,578	46,179	1,772,757	441,214	2,213,971	1,945,558	20,213	1,965,771	666,175	2,631,946
Total incoming resources	4	24,112,433	543,706	24,656,139	629,375	25,285,514	23,377,910	453,138	23,831,048	674,732	24,505,780

Statements of comprehensive income
Year ended 31 December 2019

		Group									
		Unrestricted					Unrestricted				
	Note	General fund $	Designated funds $	Total $	Restricted funds $	2019 $	General fund $	Designated funds $	Total $	Restricted funds $	2018 $
Resources expended											
Cost of generating funds											
Childcare and student care centres		10,813,284	–	10,813,284	–	10,813,284	8,874,705	–	8,874,705	–	8,874,705
Education		1,586,712	–	1,586,712	–	1,586,712	2,126,671	–	2,126,671	–	2,126,671
International House		6,511,657	–	6,511,657	–	6,511,657	6,528,840	–	6,528,840	–	6,528,840
Membership and corporate activities		598,610	–	598,610	9,800	608,410	733,387	–	733,387	8,172	741,559
Outdoor and adventure		519,244	–	519,244	–	519,244	648,048	–	648,048	–	648,048
Fund raising events		210,447	–	210,447	–	210,447	270,334	–	270,334	–	270,334
Other operating expenses		583,750	–	583,750	–	583,750	735,683	–	735,683	–	735,683
		20,823,704	–	20,823,704	9,800	20,833,504	19,917,668	–	19,917,668	8,172	19,925,840
Investment expenses											
Management fee		22,621	–	22,621	–	22,621	134,763	–	134,763	–	134,763
		22,621	–	22,621	–	22,621	134,763	–	134,763	–	134,763
Resources expended on charitable activities											
Community services *		341,213	704,169	1,045,382	265,285	1,310,667	270,780	672,833	943,613	777,082	1,720,695
Volunteer and youth development programmes		759,293	–	759,293	183,857	943,150	900,113	–	900,113	94,710	994,823
International service programmes		1,238,971	–	1,238,971	6,295	1,245,266	1,533,116	–	1,533,116	28,567	1,561,683
		2,339,477	704,169	3,043,646	455,437	3,499,083	2,704,009	672,833	3,376,842	900,359	4,277,201
Governance costs		92,984	–	92,984	–	92,984	82,324	–	82,324	–	82,324
Loss on fair value of investments through profit or loss		–	–	–	–	–	1,213,989	–	1,213,989	–	1,213,989
(Profit)/Loss on disposal of property, plant and equipment		(1,800)	–	(1,800)	–	(1,800)	56	–	56	–	56
Total resources expended	7	23,276,986	704,169	23,981,155	465,237	24,446,392	24,052,809	672,833	24,725,642	908,531	25,634,173

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

Statements of comprehensive income
Year ended 31 December 2019

		Group									
		Unrestricted					Unrestricted				
	Note	General fund $	Designated funds $	Total $	Restricted Funds $	2019 $	General fund $	Designated funds $	Total $	Restricted funds $	2018 $
Net surplus/(deficit) before tax		835,447	(160,463)	674,984	164,138	839,122	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)
Income tax expense	9	–	–	–	–	–	–	–	–	–	–
Net surplus/(deficit) and total comprehensive income/(loss) for the year		835,447	(160,463)	674,984	164,138	839,122	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)
Funds at beginning of year		16,577,990	10,493,308	27,071,298	1,833,227	28,904,525	18,664,614	9,560,281	28,224,895	1,922,755	30,147,650
Adoption of FRS 109 (note 30)		–	–	–	–	–	191,924	(191,924)	–	–	–
Transfers between funds		(1,925,188)	1,925,188	–	–	–	(1,603,649)	1,344,646	(259,003)	259,003	–
Amortisation of building asset capitalisation reserve		–	–	–	(114,732)	(114,732)	–	–	–	(114,732)	(114,732)
Funds at end of year		15,488,249	12,258,033	27,746,282	1,882,633	29,628,915	16,577,990	10,493,308	27,071,298	1,833,227	28,904,525

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

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

Statements of comprehensive income
Year ended 31 December 2019

		---Association---									
		Unrestricted					Unrestricted				
	Note	General fund $	Designated funds $	Total $	Restricted funds $	2019 $	General fund $	Designated funds $	Total $	Restricted funds $	2018 $
Incoming resources											
Incoming resources from generated funds											
Voluntary income											
Donation income		125,885	497,527	623,412	178,992	802,404	91,121	432,925	524,046	–	524,046
Activities for generating funds											
Childcare and student care centres		11,468,375	–	11,468,375	–	11,468,375	9,717,570	–	9,717,570	–	9,717,570
Education		481,658	–	481,658	–	481,658	402,596	–	402,596	–	402,596
International House		5,626,994	–	5,626,994	–	5,626,994	5,703,126	–	5,703,126	–	5,703,126
Membership and corporate activities		330,187	–	330,187	9,169	339,356	404,657		404,657	8,557	413,214
Outdoor and adventure		472,927	–	472,927	–	472,927	622,859	–	622,859	–	622,859
Fund raising events		442,858	–	442,858	–	442,858	817,105	–	817,105	–	817,105
Other income	6	1,019,038	–	1,019,038	–	1,019,038	1,120,880	–	1,120,880	–	1,120,880
Amortisation of building asset capitalisation reserve		114,732	–	114,732	–	114,732	114,732	–	114,732	–	114,732
		20,082,654	497,527	20,580,181	188,161	20,768,342	18,994,646	432,925	19,427,571	8,557	19,436,128
Investment income											
Interest and dividend income		412,653	–	412,653	–	412,653	566,561	–	566,561	–	566,561
Gain on fair value of investments through profit or loss		518,318	–	518,318	–	518,318	–	–	–	–	–
		21,013,625	497,527	21,511,152	188,161	21,699,313	19,561,207	432,925	19,994,132	8,557	20,002,689
Incoming resources from charitable activities											
Community services *		82,600	46,179	128,779	247,127	375,906	1,513	20,213	21,726	518,079	539,805
Volunteer and youth development programmes		382,854	–	382,854	187,832	570,686	399,843	–	399,843	141,289	541,132
International service programmes		1,261,124	–	1,261,124	6,255	1,267,379	1,544,202	–	1,544,202	6,807	1,551,009
		1,726,578	46,179	1,772,757	441,214	2,213,971	1,945,558	20,213	1,965,771	666,175	2,631,946
Total incoming resources	4	22,740,203	543,706	23,283,909	629,375	23,913,284	21,506,765	453,138	21,959,903	674,732	22,634,635

Statements of comprehensive income
Year ended 31 December 2019

	Note	Association									
		Unrestricted					Unrestricted				
		General fund	Designated funds	Total	Restricted funds	2019	General fund	Designated funds	Total	Restricted funds	2018
		$	$	$	$	$	$	$	$	$	$
Resources expended											
Cost of generating funds											
Childcare and student care centres		10,813,284	–	10,813,284	–	10,813,284	8,874,705	–	8,874,705	–	8,874,705
Education		228,169	–	228,169	–	228,169	264,302	–	264,302	–	264,302
International House		6,511,657	–	6,511,657	–	6,511,657	6,528,832	–	6,528,832	–	6,528,832
Membership and corporate activities		598,610	–	598,610	9,800	608,410	732,819	–	732,819	8,172	740,991
Outdoor and adventure		519,244	–	519,244	–	519,244	648,048	–	648,048	–	648,048
Fund raising events		210,447	–	210,447	–	210,447	270,334	–	270,334	–	270,334
Other operating expenses		583,748	–	583,748	–	583,748	735,683	–	735,683	–	735,683
		19,465,159	–	19,465,159	9,800	19,474,959	18,054,723	–	18,054,723	8,172	18,062,895
Investment expenses											
Management fee		22,621	–	22,621	–	22,621	134,763	–	134,763	–	134,763
		22,621	–	22,621	–	22,621	134,763	–	134,763	–	134,763
Resources expended on charitable activities											
Community services *		341,213	704,169	1,045,382	265,285	1,310,667	270,780	672,833	943,613	777,082	1,720,695
Volunteer and youth development programmes		759,294	–	759,294	183,857	943,151	900,113	–	900,113	94,710	994,823
International service programmes		1,238,971	–	1,238,971	6,295	1,245,266	1,533,116	–	1,533,116	28,567	1,561,683
		2,339,478	704,169	3,043,647	455,437	3,499,084	2,704,009	672,833	3,376,842	900,359	4,277,201
Governance costs		79,298	–	79,298	–	79,298	74,124	–	74,124	–	74,124
Loss on fair value of investments through profit or loss		–	–	–	–	–	1,213,989	–	1,213,989	–	1,213,989
(Profit)/Loss on disposal of property, plant and equipment		(1,800)	–	(1,800)	–	(1,800)	56	–	56	–	56
Total resources expended	7	21,904,756	704,169	22,608,925	465,237	23,074,162	22,181,664	672,833	22,854,497	908,531	23,763,028

Statements of comprehensive income
Year ended 31 December 2019

	Note	Association: Unrestricted General fund $	Association: Unrestricted Designated funds $	Association: Unrestricted Total $	Association: Restricted funds $	Association: 2019 $	Association: Unrestricted General fund $	Association: Unrestricted Designated funds $	Association: Unrestricted Total $	Association: Restricted funds $	Association: 2018 $
Net surplus/(deficit) before tax		835,447	(160,463)	674,984	164,138	839,122	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)
Income tax expense	9	–	–	–	–	–	–	–	–	–	–
Net surplus/(deficit) and total comprehensive (loss)/income for the year		835,447	(160,463)	674,984	164,138	839,122	(674,899)	(219,695)	(894,594)	(233,799)	(1,128,393)
Funds at beginning of year		16,577,990	10,493,308	27,071,298	1,833,227	28,904,525	18,664,614	9,560,281	28,224,895	1,922,755	30,147,650
Adoption of FRS 109 (note 30)		–	–	–	–	–	191,924	(191,924)	–	–	–
Transfers between funds		(1,925,188)	1,925,188	–	–		(1,603,649)	1,344,646	(259,003)	259,003	–
Amortisation of building asset capitalisation reserve		–	–	–	(114,732)	(114,732)	–	–	–	(114,732)	(114,732)
Funds at end of year		15,488,249	12,258,033	27,746,282	1,882,633	29,628,915	16,577,990	10,493,308	27,071,298	1,833,227	28,904,525

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

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

Statements of financial position
As at 31 December 2019

	Note	Group 2019	Group 2018	Association 2019	Association 2018
ASSETS		$	$	$	$
Non-current assets					
Property, plant and equipment	11	5,316,891	5,689,092	5,275,566	5,640,227
Total non-current assets		5,316,891	5,689,092	5,275,566	5,640,227
Current assets					
Inventories	13	13,688	14,211	13,688	14,211
Trade and other receivables	14	1,464,585	1,309,402	4,278,155	4,178,293
Other assets	15	323,960	455,393	164,354	189,776
Other financial assets	12	2,985,136	9,336,596	2,985,136	9,336,596
Cash and cash equivalents	16	24,691,190	17,714,447	21,692,022	14,496,650
Total current assets		29,478,559	28,830,049	29,133,355	28,215,526
Total assets		34,795,450	34,519,141	34,408,921	33,855,753
FUNDS AND LIABILITIES					
Unrestricted fund					
General fund		15,488,249	16,577,990	15,488,249	16,577,990
Capital replacement fund	17	10,548,745	8,967,214	10,548,745	8,967,214
Fair value reserve	19	–	–	–	–
Other funds	20	1,709,288	1,526,094	1,709,288	1,526,094
Total unrestricted fund		27,746,282	27,071,298	27,746,282	27,071,298
Restricted funds					
Building asset capitalisation reserve	18	1,606,223	1,720,955	1,606,223	1,720,955
Other funds	20	276,410	112,272	276,410	112,272
Total restricted fund		1,882,633	1,833,227	1,882,633	1,833,227
Total funds		29,628,915	28,904,525	29,628,915	28,904,525
Current liabilities					
Trade and other payables	22	3,497,076	3,760,879	3,394,558	3,626,231
Other liabilities	23	1,669,459	1,853,737	1,385,448	1,324,997
Total current liabilities		5,166,535	5,614,616	4,780,006	4,951,228
Total liabilities		5,166,535	5,614,616	4,780,006	4,951,228
Total funds and liabilities		34,795,450	34,519,141	34,408,921	33,855,753

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

Statements of changes in funds
Year ended 31 December 2019

	Unrestricted				Restricted		
		Designated					
Group	General fund	Fair value reserve	Capital replacement fund	Other funds	Building asset capitalisation reserve	Other funds	Total
	$	$	$	$	$	$	$
At 1 January 2019	16,577,990	–	8,967,214	1,526,094	1,720,955	112,272	28,904,525
Changes in funds							
Net surplus/(deficit) and total comprehensive income/(loss) for the year	835,447	–	–	(160,463)	–	164,138	839,122
Transfers during the year	(1,925,188)	–	1,581,531	343,657	–	–	–
Amortisation of building asset capitalisation reserve	–	–	–	–	(114,732)	–	(114,732)
At 31 December 2019	15,488,249	–	10,548,745	1,709,288	1,606,223	276,410	29,628,915
At 1 January 2018	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068	30,147,650
Adoption of FRS 109	191,924	(191,924)	–	–	–	–	–
At 1 January 2018, as adjusted	18,856,538	–	7,996,171	1,372,186	1,835,687	87,068	30,147,650
Changes in funds							
Net deficit and total comprehensive income for the year	(674,899)	–	–	(219,695)	–	(233,799)	(1,128,393)
Transfers during the year	(1,603,649)	–	971,043	373,603	–	259,003	–
Amortisation of building asset capitalisation reserve	–	–	–	–	(114,732)	–	(114,732)
At 31 December 2018	16,577,990	–	8,967,214	1,526,094	1,720,955	112,272	28,904,525

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

Statements of changes in funds
Year ended 31 December 2019

	Unrestricted				Restricted		
		Designated					
Association	General fund	Fair value reserve	Capital replacement fund	Other funds	Building asset capitalisation reserve	Other funds	Total
	$	$	$	$	$	$	$
At 1 January 2019	16,577,990	–	8,967,214	1,526,094	1,720,955	112,272	28,904,525
Changes in funds							
Net surplus/(deficit) and total comprehensive income/(loss) for the year	835,447	–	–	(160,463)	–	164,138	839,122
Transfers during the year	(1,925,188)	–	1,581,531	343,657	–	–	–
Amortisation of building asset capitalisation reserve	–	–	–	–	(114,732)	–	(114,732)
At 31 December 2019	15,488,249	–	10,548,745	1,709,288	1,606,223	276,410	29,628,915
At 1 January 2018	18,664,614	191,924	7,996,171	1,372,186	1,835,687	87,068	30,147,650
Adoption of FRS 109 (note 28)	191,924	(191,924)	–	–	–	–	–
At 1 January 2018, as adjusted	18,856,538	–	7,996,171	1,372,186	1,835,687	87,068	30,147,650
Changes in funds							
Net deficit and total comprehensive loss for the year	(674,899)	–	–	(219,695)	–	(233,799)	(1,128,393)
Transfers during the year	(1,603,649)	–	971,043	373,603	–	259,003	–
Amortisation of building asset capitalisation reserve	–	–	–	–	(114,732)	–	(114,732)
At 31 December 2018	16,577,990	–	8,967,214	1,526,094	1,720,955	112,272	28,904,525

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

Consolidated statement of cash flows
Year ended 31 December 2019

	Group 2019 $	2018 $
Cash flows from operating activities		
Surplus/(Deficit) before tax	839,122	(1,128,393)
Adjustments for:		
Depreciation of property, plant and equipment	776,081	713,039
Amortisation of building asset capitalisation reserve	(114,732)	(114,732)
(Profit)/Loss on disposal of property, plant and equipment	(1,800)	56
Assets under construction expensed off	4,424	1,950
Interest income	(362,475)	(259,422)
Dividend income	(50,936)	(308,211)
(Gain)/Loss on fair value of investments through profit or loss	(518,318)	1,213,989
Operating surplus before changes in working capital	571,366	118,276
Inventories	523	1,564
Trade and other receivables	(161,297)	493,020
Other assets	131,433	(287,680)
Trade and other payables	(263,803)	433,502
Other liabilities	(184,278)	(57,650)
Net cash flows from operating activities	93,944	701,032
Cash flows from investing activities		
Grants received for acquisition of property, plant and equipment	88,932	112,622
Purchase of financial assets	–	(7,800,907)
Proceeds from disposal of property, plant and equipment	1,800	–
Proceeds from disposal of financial assets	6,869,778	12,151,251
Decrease/(Increase) in cash held with external fund manager	5,941,259	(4,689,933)
Purchase of property, plant and equipment	(497,236)	(739,094)
Interest received	368,589	238,257
Dividends received	50,936	308,211
Net cash flows from/(used in) investing activities	12,824,058	(419,593)
Net increase in cash and cash equivalents	12,918,002	281,439
Cash and cash equivalents at beginning of year	11,773,188	11,491,749
Cash and cash equivalents at end of year (note 16A)	24,691,190	11,773,188

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

Notes to the financial statements
Year ended 31 December 2019

1. General

The Young Men's Christian Association of Singapore (the "Association") is an association registered in Singapore under the Societies Act, Chapter 311 (the "Societies Act"). The Association is a member of the National Council of Social Service (the "NCSS"). It was granted the status of an Institution of a Public Character ("IPC") (IPC Registration No. IPC000399) under the Charities Act, Chapter 37 (the "Charities Act") until 31 December 2019, following which it was renewed for another 2.5 years and is valid until 30 June 2021.

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

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

The principal activities of the Association consist of community services, education and childcare services, sports and recreation and running of the International House.

The subsidiary, YMCA Education Centre Limited ("YMCA Education Centre"), was incorporated in Singapore on 21 September 2010 under the Companies Act, Chapter 50 as a company limited by guarantee. The principal activities of YMCA Education Centre are the provision of non-higher and higher education programmes. YMCA Education Centre has been registered under the Enhanced Registration Framework with the Committee for Private Education for a period of four years and was valid until 11 October 2018, following which it was renewed for another four years and is valid until 11 October 2022. YMCA Education Centre was also given the EduTrust award which is valid until 15 December 2020. RSM Chio Lim LLP are the independent auditors of YMCA Education Centre.

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

Statement of compliance with financial reporting standards

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

Accounting convention

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

1. General (cont'd)

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

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

Basis of presentation

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

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

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

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

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

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Service income

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

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

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

Donations

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

Interest income

Interest is recognised using the effective interest method.

Dividend income

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

Rental income

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

Gifts in kind

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

Government and other grants

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

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

2A. Significant accounting policies (cont'd)

Employee benefits

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

Foreign currency transactions

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

Income tax

As an approved charity under the Charities Act, the Association is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.

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

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

2A. Significant accounting policies (cont'd)

Property, plant and equipment

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

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

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

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

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

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

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

2A. Significant accounting policies (cont'd)

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Lessors

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Subsidiaries

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

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

Inventories

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

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

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

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

Financial instruments

<u>Recognition and derecognition of financial instruments</u>

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

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets

(i) Financial asset classified as measured at amortised cost

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

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

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

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

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

(iv) Financial asset classified as measured at FVTPL

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

Classification and measurement of financial liabilities

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

(i) The liabilities are managed, evaluated and reported internally on a fair value basis; or

(ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

Cash and cash equivalents

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

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

2A. Significant accounting policies (cont'd)

Derivative financial instruments

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

Fair value measurement

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

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

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

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

2B. Other explanatory information

Provisions

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

Funds

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

2C. Critical judgements, assumptions and estimation uncertainties

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

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

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

Assessment of impairment of trade receivables

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

Assessment of useful lives of property, plant and equipment

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

3. Related party relationships and transactions

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

(i) Transactions with its related parties; and

(ii) Relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.

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

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

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

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

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

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

3A. Related party transactions

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

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

Significant related party transactions

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

	Association	
	2019	2018
	$	$
Donation income from subsidiary	44,584	47,664
Management fee income from subsidiary	560,307	825,986
Rental income and other charges from subsidiary	33,515	37,541

3B. Key management compensation

	2019	2018
	$	$
Salaries and other short-term employee benefits	855,638	889,059
Number of key management personnel	7	6

The above amounts are included under resources expended.

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

3B. Key management compensation (cont'd)

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

	2019 $	2018 $
$100,001 to $200,000	4	6
$200,001 and above	1	–

3C. Other receivables from related parties

Movements in other receivables from related parties are as follows:

	Subsidiary	
	2019 $	2018 $
At beginning of year	2,868,956	1,636,301
Amounts paid out and settlement of liabilities on behalf of related party	–	1,232,655
Amount paid in and settlement of liabilities on behalf of the Association	(52,939)	–
At end of year (note 14)	2,816,017	2,868,956

4. Total incoming resources

Included in total incoming resources are the following items:

	Group 2019 $	Group 2018 $	Association 2019 $	Association 2018 $
Student and childcare subsidy from Ministry of Social and Family Development ("MSF")	2,800,888	2,416,073	2,800,888	2,416,073
Project Bridge Vocational and Soft Skills Programme grant				
- from NCSS	235,267	229,542	235,267	229,542
- from Barclays Bank PLC Singapore Branch	136,896	141,440	136,896	141,440
Project Bridge Enhanced Step-Up grant				
- from NCSS	6,037	5,512	6,037	5,512
- from MSF	56,077	18,355	56,077	18,355
Youth Expedition Project ("YEP") funding from National Youth Council ("NYC") (note 14)	357,399	323,210	357,399	323,210
Project Elevate grant				
- from NCSS	186,906	140,569	186,906	140,569
Youth Corps Singapore ("YCS") funding from NYC	–	6,358	–	6,358
Citi-Youth For Causes				
- from Citibank	365,274	352,760	365,274	352,760
Wage credit scheme	124,483	248,838	124,483	240,981

5. Donation and fundraising income

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

There are no fund-raising appeals with gross receipts of more than $1,000,000 during the reporting years ended 31 December 2018 and 2019.

6. Other income

	Group 2019 $	Group 2018 $	Association 2019 $	Association 2018 $
Management fee income	–	–	560,307	825,968
Rental	280,534	182,130	280,534	182,130
Sundries	295,583	318,051	178,197	112,782
	576,117	500,181	1,019,038	1,120,880

7. Total resources expended

Included in total resources expended are the following items:

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Cleaning expenses	328,660	336,976	328,660	336,976
Commission	1,248,457	1,601,623	375,232	405,363
Contract security	166,950	214,014	166,950	214,014
Donation to overseas	4,132	3,910	4,132	3,910
Depreciation of property, plant and equipment	776,081	713,039	759,571	705,732
Education related expenses	1,414,509	1,119,002	1,332,461	1,038,318
Food and beverages	327,130	300,187	327,130	300,187
Instructor/coach fees	119,007	217,211	119,007	217,211
Insurance	131,457	124,779	131,457	124,779
International service programmes fee	903,642	1,188,121	903,642	1,188,121
IT expenses	224,192	249,943	217,032	240,743
License and rental	123,362	131,996	123,362	131,996
Outdoor and adventure expenses	340,785	456,143	340,785	456,143
Programme course fees	410,142	661,858	410,142	661,858
Property tax	256,500	256,500	256,500	256,500
Repairs and maintenance	359,765	282,708	359,315	282,248
Utilities	384,582	320,596	384,582	320,596
Employee benefits expenses (note 8)	15,496,725	14,852,069	15,185,514	14,391,530

8. Employee benefits expenses

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Salaries and related costs	13,761,977	13,305,702	13,486,151	12,894,376
Contributions to defined contribution plan	1,734,748	1,546,367	1,699,363	1,497,154
	15,496,725	14,852,069	15,185,514	14,391,530

9. Income tax

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

	Group and Association	
	2019	2018
	$	$
Current tax		
Current tax expense	–	–

The income tax expense in profit or loss varied from the amount of income tax amount determined by applying the Singapore statutory income tax rate of 17% (2018: 17%) to surplus/(deficit) before tax as a result of the following differences:

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Surplus/(Deficit) before tax	839,122	(1,128,393)	839,122	(1,128,393)
Income tax expense/(benefit) at statutory rate	142,651	(191,827)	142,651	(191,827)
Non-deductible items	(12,678)	(19,541)	–	–
Exemptions	(142,651)	191,827	(142,651)	191,827
Unrecognised deferred tax assets	12,678	19,541	–	–
	–	–	–	–

9B. Deferred tax in profit or loss

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Excess of tax value over book value of plant and equipment	(987)	–	–	–
Excess of book value of plant and equipment over tax value	–	297	–	–
Donations carried forward	(11,691)	(19,838)	–	–
Unrecognised deferred tax assets	12,678	19,541	–	–
	–	–	–	–

9. Income tax (cont'd)

9C. Deferred tax in statement of financial position

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Deferred tax liabilities				
Excess of net book value of plant and equipment over tax value	(286)	(1,273)	–	–
	(286)	(1,273)	–	–
Deferred tax assets				
Donations carried forward	863,770	852,079	–	–
Unrecognised deferred tax assets	(863,484)	(850,806)	–	–
	286	1,273	–	
	–	–	–	–

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

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

10. Tax exempt donations

The Association received tax exempt donations amounting to $717,444 (2018: $878,931) during the reporting year.

11. Property, plant and equipment

Group	Leasehold land and building	Plant and machinery	Renovation	Computer equipment	Office equipment	Furniture and fittings	Computer software	Assets under construction	Total
	$	$	$	$	$	$	$	$	$
Cost									
At 1 January 2018	12,079,195	1,361,133	5,115,302	545,856	405,712	583,208	352,237	178,394	20,621,037
Additions	–	23,359	604,506	30,580	8,773	21,172	46,280	4,424	739,094
Grants received/receivable	–	–	(23,880)	–	–	(13,582)	(75,160)	–	(112,622)
Disposals	–	(420)	(266,250)	–	(1,480)	(3,540)	–	(1,950)	(273,640)
Reclassifications	–	–	111,804	–	–	22,460	37,180	(171,444)	–
At 31 December 2018	12,079,195	1,384,072	5,541,482	576,436	413,005	609,718	360,537	9,424	20,973,869
Additions	–	–	268,847	135,788	69,501	23,100	–	–	497,236
Grants received/receivable	–	–	(82,412)	(6,520)	–	–	–	–	(88,932)
Disposals	–	–	–	(37,505)	–	(1,785)	–	–	(39,290)
Reclassifications	–	–	–	–	–	–	–	(4,424)	(4,424)
At 31 December 2019	12,079,195	1,384,072	5,727,917	668,199	482,506	631,033	360,537	5,000	21,338,459
Accumulated depreciation									
At 1 January 2018	7,967,497	590,022	4,724,524	405,934	338,151	495,306	321,938	–	14,843,372
Depreciation for the year	241,584	160,034	146,313	84,062	23,249	35,150	22,647	–	713,039
Disposals	–	(364)	(266,250)	–	(1,480)	(3,540)	–	–	(271,634)
At 31 December 2018	8,209,081	749,692	4,604,587	489,996	359,920	526,916	344,585	–	15,284,777
Depreciation for the year	241,584	157,164	215,962	85,701	30,910	33,188	11,572	–	776,081
Disposals	–	–	–	(37,505)	–	(1,785)	–	–	(39,290)
At 31 December 2019	8,450,665	906,856	4,820,549	538,192	390,830	558,319	356,157	–	16,021,568
Carrying value									
At 1 January 2018	4,111,698	771,111	390,778	139,922	67,561	87,902	30,299	178,394	5,777,665
At 31 December 2018	3,870,114	634,380	936,895	86,440	53,085	82,802	15,952	9,424	5,689,092
At 31 December 2019	3,628,530	477,216	907,368	130,007	91,676	72,714	4,380	5,000	5,316,891

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

Association	Leasehold land and building	Plant and machinery	Renovation	Computer equipment	Office equipment	Furniture and fittings	Computer software	Assets under construction	Total
	$	$	$	$	$	$	$	$	$
Cost									
At 1 January 2018	12,079,195	1,361,133	5,104,542	518,278	402,708	565,508	280,237	178,393	20,489,994
Additions	–	23,359	588,106	14,500	5,310	21,172	46,280	4,425	703,152
Grants received/receivable	–	–	(23,880)	–	–	(13,582)	(75,160)	–	(112,622)
Disposals	–	(420)	(266,250)	–	(1,480)	(3,350)	–	(1,950)	(273,450)
Reclassifications	–	–	111,804	–	–	22,460	37,180	(171,444)	–
At 31 December 2018	12,079,195	1,384,072	5,514,322	532,778	406,538	592,208	288,537	9,424	20,807,074
Additions	–	–	263,897	131,768	69,501	23,100	–	–	488,266
Grants received/receivable	–	–	(82,412)	(6,520)	–	–	–	–	(88,932)
Disposals	–	–	–	(37,505)	–	(1,785)	–	–	(39,290)
Reclassifications	–	–	–	–	–	–	–	(4,424)	(4,424)
At 31 December 2019	12,079,195	1,384,072	5,695,807	620,521	476,039	613,523	288,537	5,000	21,162,694
Accumulated depreciation									
At 1 January 2018	7,967,497	590,022	4,723,451	383,640	335,148	482,864	249,937	–	14,732,559
Depreciation for the year	241,584	160,033	143,341	81,409	22,671	34,048	22,646	–	705,732
Disposals	–	(364)	(266,250)	–	(1,480)	(3,350)	–	–	(271,444)
At 31 December 2018	8,209,081	749,691	4,600,542	465,049	356,339	513,562	272,583	–	15,166,847
Depreciation for the year	241,584	157,164	209,953	76,994	30,217	32,086	11,573	–	759,571
Disposals	–	–	–	(37,505)	–	(1,785)	–	–	(39,290)
At 31 December 2019	8,450,665	906,855	4,810,495	504,538	386,556	543,863	284,156	–	15,887,128
Carrying value									
At 1 January 2018	4,111,698	771,111	381,091	134,638	67,560	82,644	30,300	178,393	5,757,435
At 31 December 2018	3,870,114	634,381	913,780	67,729	50,199	78,646	15,954	9,424	5,640,227
At 31 December 2019	3,628,530	477,217	885,312	115,983	89,483	69,660	4,381	5,000	5,275,566

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

Depreciation expense is charged in statement of comprehensive income under:

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Childcare and student care centres	80,146	82,159	80,146	82,159
Education	18,156	14,059	1,646	6,754
International House	122,943	106,305	122,943	106,304
Membership and corporate activities	10,665	19,038	10,665	19,037
Fund raising events	806	–	806	–
Other operating expenses	511,756	465,627	511,756	465,627
Charitable activities	31,609	25,851	31,609	25,851
	776,081	713,039	759,571	705,732

The land is leased for 999 years commencing from July 1911. No capital sum was paid for the lease.

The grants utilised for the acquisition of property, plant and equipment consist of Care and Share matching grant (note 23A) amounting to $Nil (2018: $75,160), Start-up Grant amounting to $88,932 (2018: $15,087) and grant from BCA amounting to $Nil (2018: $22,375), respectively.

12. Other financial assets

	Group and Association	
	2019	2018
	$	$
Equity instruments (quoted) – at FVTPL	–	3,434,596
Debt instruments (quoted) – at FVTPL	2,985,136	5,854,660
Derivative financial instruments (note 12B)	–	47,340
	2,985,136	9,336,596

The Group appointed an external fund manager to invest and manage its surplus funds in accordance with the guidelines set out by the Group. There is also an investment committee which reports to the Board of Directors on the investment strategy and performance of the Group. The external fund manager was given full discretionary mandate subject to the Group's investment guidelines, and reported the investment holdings and performance to the Group on a regular basis. The service of the external fund manager was terminated on 25 September 2019.

As at 31 December 2019, debt instruments comprise corporate bonds with interest rates ranging from 2.95% to 4.00% (2018: 2.75% to 4.00%) per annum and maturity dates ranging from 19 February 2020 to 23 August 2027 (2018: 30 June 2019 to 23 August 2027).

12. Other financial assets (cont'd)

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

	2019 $	2018 $
At beginning of year	9,336,596	12,071,017
Reclassification arising from adoption of FRS 109 (#)	–	2,829,912
At beginning of year, as adjusted	9,336,596	14,900,929
Additions	–	7,800,907
Disposals	(6,869,778)	(12,151,251)
Loss on disposals through profit or loss for investments in financial assets	(266,730)	(258,916)
Increase/(Decrease) in fair value through profit or loss for investments in financial assets	785,048	(955,073)
At end of year	2,985,136	9,336,596

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

12B. Derivative financial instruments

	Group and Association	
	2019 $	2018 $
Derivatives with positive fair value		
Forward currency contracts	–	47,340

The above contracts were transacted by external fund manager to hedge foreign currency exposure arising from investments in overseas assets. These included the gross amount of all notional values for contracts that had not yet been settled or cancelled in 2018. The amount of notional value outstanding was not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

There were no forward currency contracts as at 31 December 2019.

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

The above contracts had maturity dates within one year.

12. Other financial assets (cont'd)

12C. Disclosures relating to financial assets measured at FVTPL

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

Nature	Industry	Location	Level	2019 $	2018 $	2019 %	2018 %
Equity instruments (quoted)	Chemical	Europe	1	–	165,081	–	2
Equity instruments (quoted)	Construction	Europe	1	–	150,723	–	2
Equity instruments (quoted)	Financial services	Europe	1	–	233,870	–	3
Equity instruments (quoted)	Oil and gas	Europe	1	–	215,797	–	2
Equity instruments (quoted)	Power and electrical	Europe	1	–	424,481	–	4
Equity instruments (quoted)	Financial services	Hong Kong	1	–	220,245	–	2
Equity instruments (quoted)	Properties	Hong Kong	1	–	220,480	–	2
Equity instruments (quoted)	Financial services	Japan	1	–	258,883	–	3
Equity instruments (quoted)	Manufacturing	Japan	1	–	175,411	–	2
Equity instruments (quoted)	Properties	Japan	1	–	154,071	–	2
Equity instruments (quoted)	Manufacturing	Taiwan	1	–	384,611	–	4
Equity instruments (quoted)	Financial services	Canada	1	–	218,641	–	2
Equity instruments (quoted)	Oil and gas	Canada	1	–	212,508	–	2
Equity instruments (quoted)	Oil and gas	United States of America	1	–	281,066	–	3
Equity instruments (quoted)	Power and electrical	United States of America	1	–	118,727	–	1
Debt instruments (quoted)	Financial services	Australia	1	253,250	250,425	8	3
Debt instruments (quoted)	Financial services	Cayman Islands	1	–	395,704	–	4
Debt instruments (quoted)	Financial services	Europe	1	–	525,257	–	6
Debt instruments (quoted)	Manufacturing	Korea	1	–	262,820	–	3
Debt instruments (quoted)	Airline	Singapore	1	255,102	245,592	8	3
Debt instruments (quoted)	Financial services	Singapore	1	1,007,860	1,550,620	34	17
Debt instruments (quoted)	Investment fund	Singapore	1	200,635	191,897	7	2
Debt instruments (quoted)	Offshore and marine	Singapore	1	762,006	756,240	26	8
Debt instruments (quoted)	Properties	Singapore	1	506,283	500,007	17	5
Debt instruments (quoted)	E-Commerce	United States of America	1	–	396,174	–	4
Debt instruments (quoted)	Financial services	United States of America	1	–	411,364	–	4
Debt instruments (unquoted)	Investment fund	Europe	3	–	368,560	–	4
Derivative financial instruments			2	–	47,341	–	1
				2,985,136	9,336,596	100	100

12. Other financial assets (cont'd)

12D. Fair value measurements (Level 3) recognised in statement of financial position

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

The fair value of forward currency contracts was based on the current value of the difference between the contractual exchange rate and the market rate as at 31 December 2018. The valuation technique used market observable inputs.

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

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

	Group and Association	
	2019	2018
	$	$
A hypothetical 10% increase in market index of quoted equity and debts securities at FVTPL would have an effect on fair value of	298,514	892,070

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

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

13. Inventories

	Group and Association	
	2019	2018
	$	$
Inventories, comprising gifts and souvenirs for resale	13,688	14,211
Amount of inventories included in resources expanded	7,797	5,957

There are no inventories pledged as security for liabilities.

14. Trade and other receivables

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Trade receivables				
Outside parties	277,836	308,253	277,836	308,253
Less: Allowance for impairment	(73,821)	(56,821)	(73,821)	(56,821)
	204,015	251,432	204,015	251,432
Other receivables				
Subsidiary (note 3)	–	–	2,816,017	2,868,956
Event advances	154,009	99,241	154,009	99,241
Grants receivable	632,910	561,011	632,910	561,011
Interest receivable	48,734	19,074	48,734	19,074
Interest receivable – held by external fund manager	–	35,774	–	35,774
Other receivables	424,917	342,870	422,470	342,805
	1,260,570	1,057,970	4,074,140	3,926,861
	1,464,585	1,309,402	4,278,155	4,178,293

Movements in allowance for trade receivables are as follows:

	Group and Association	
	2019	2018
	$	$
At beginning of year	56,821	56,821
Charge to profit or loss included in other operating expenses	17,000	–
At end of year	73,821	56,821

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

14. Trade and other receivables (cont'd)

The loss allowance for trade receivables was determined as follows:

Group and Association	Gross amount 2019 $	Gross amount 2018 $	ECL rate 2019	ECL rate 2018	Loss allowance 2019 $	Loss allowance 2018 $
Current	95,910	93,295	1.01%	–	–	–
1 to 30 days past due	119,817	166,756	13.74%	11.83%	11,712	19,728
31 to 60 days past due	10,485	10,709	50.72%	44.72%	10,485	4,789
Over 60 days past due	51,624	37,493	100.00%	86.16%	51,624	32,304
	277,836	308,253			73,821	56,821

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

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to customers is between 14 to 30 days (2018: 14 to 30 days). However, certain customers may take a longer period to settle the amounts.

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

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

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

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

14. Trade and other receivables (cont'd)

Grants receivable comprise the following:

	Group and Association	
	2019	2018
	$	$
YEP funding	342,910	240,236
Care and Share matching grant	290,000	290,000
Others	–	30,775
	632,910	561,011

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

	Group and Association	
	2019	2018
	$	$
At beginning of year	240,236	478,539
Less: Grants received	(254,725)	(561,513)
Add: Grants utilised (note 4)	357,399	323,210
At end of year	342,910	240,236

15. Other assets

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Prepayments	254,892	379,743	97,791	116,631
Deposits to secure services	69,068	75,650	66,563	73,145
	323,960	455,393	164,354	189,776

16. Cash and cash equivalents

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Not restricted in use	7,748,823	8,000,189	4,749,655	4,782,392
Fixed deposits	16,942,367	3,772,999	16,942,367	3,772,999
	24,691,190	11,773,188	21,692,022	8,555,391
Cash and cash equivalents held with external fund manager	–	5,941,259	–	5,941,259
	24,691,190	17,714,447	21,692,022	14,496,650

The rate of interest for the cash on interest earning balances ranged from 1.25% to 1.9% (2018: 0.08% to 1.73%) per annum.

16. Cash and cash equivalents (cont'd)

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

	Group	
	2019	2018
	$	$
Amount as set out above	24,691,190	17,714,447
Cash and cash equivalents held with external fund manager	–	(5,941,259)
	24,691,190	11,773,188

17. Capital replacement fund

	Group and Association	
	2019	2018
	$	$
At beginning of year	8,967,214	7,996,171
Transfers from general fund	1,749,265	1,655,882
Utilisation during the year	(167,734)	(684,839)
At end of year	10,548,745	8,967,214

Capital replacement fund is established for capital replacement purpose by allocating 9% of current year's revenue derived from the childcare and student care centres, education centre and International House.

18. Building asset capitalisation reserve

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

19. Fair value reserve

	Group and Association	
	2019	2018
	$'000	$'000
At beginning of year	–	191,924
Adoption of FRS 109 (#)	–	(191,924)
At beginning of year, as adjusted, and at end of year	–	–

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

Fair value reserve represents the cumulative fair value changes of financial instruments at FVTOCI until they are disposed of or impaired.

20. Other funds

Group and Association	At beginning of year $	Receipts $	Expenses $	Transfers between funds $	At end of year $
2019					
Unrestricted funds – Designated					
Community Service Fund	43,122	393,706	(573,870)	420,431	283,389
YMCA FACES	117,091	–	(70,025)	–	47,066
YMCA-Lim Kim San – Volunteers Programme Fund	1,115,881	–	–	–	1,115,881
YMCA-Robert Loh Social Services Internship	100,000	–	–	–	100,000
YMCA- Tan Chin Tuan – Youth Mentorship Pathways Initiative	150,000	150,000	(60,274)	(76,774)	162,952
	1,526,094	543,706	(704,169)	343,657	1,709,288
Restricted funds					
Disaster Relief Fund	–	–	–	–	–
ISP Project Fund	13,704	6,255	(3,932)	–	16,027
Project Bridge Fund	–	426,119	(265,285)	–	160,834
Rebuilding Community Programme @ Dujiangyan Fund	10,827	–	(773)	–	10,054
YMCA – Seet Hiong Kiat and Kuah Siew Eng Education Fund	8,526	–	(1,590)	–	6,936
ITE Elevate Fund	76,022	187,832	(183,857)	–	79,997
Club accounts	3,193	9,169	(9,800)	–	2,562
	112,272	629,375	(465,237)	–	276,410
	1,638,366	1,173,081	(1,169,406)	343,657	1,985,698

20. Other funds (cont'd)

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

20. Other funds (cont'd)

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

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

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

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

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

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

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

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

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

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

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

Clubs accounts are maintained for YMCA clubs involved in activities.

21. Reserve policy

The Group has set aside reserves to provide financial stability and the means for development of the Group's principal activities. The Group targets for an optimum of three years of operating reserves. The reserve ratio stands at 0.7 (2018: 0.7) as at the reporting date.

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

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

The Group is not subject to externally imposed fund requirements. There were no changes to the Group's approach to reserves management during the year.

22. Trade and other payables

	Group 2019 $	Group 2018 $	Association 2019 $	Association 2018 $
Trade payables				
Outside parties and accrued expenses	2,325,686	2,812,954	2,223,168	2,678,306
Other payables				
Deposits payables	1,171,390	947,925	1,171,390	947,925
	3,497,076	3,760,879	3,394,558	3,626,231

23. Other liabilities

	Group 2019 $	Group 2018 $	Association 2019 $	Association 2018 $
Care and Share matching grant (note 23A)	409,307	409,307	409,307	409,307
Other grants received in advance	125,532	167,739	125,532	167,739
Fees received in advance	1,134,620	1,276,691	850,609	747,951
	1,669,459	1,853,737	1,385,448	1,324,997

23A. Care and Share matching grant

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

	Group and Association 2019 $	Group and Association 2018 $
At beginning of year	409,307	484,467
Less: Grants utilised for enhancement of assets (note 11)	–	(75,160)
At end of year	409,307	409,307

24. Capital commitments

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

	Group and Association 2019 $	Group and Association 2018 $
Commitments to purchase property, plant and equipment	7,400	242,143

25. Operating lease income commitments – as lessor

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years is as follows:

	Group and Association	
	2019	2018
	$	$
Not later than one year	266,055	300,045
Between 1 and 2 years	–	266,055
	266,055	566,100
Rental income for the year	476,331	276,640

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

26. Financial instruments: information on financial risks

26A. Categories of financial assets and liabilities

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

	Group		Association	
	2019	2018	2019	2018
	$	$	$	$
Financial assets				
Financial assets at amortised cost	26,155,775	19,023,849	25,970,177	18,674,943
Financial assets at FVTPL	2,985,136	9,336,596	2,985,136	9,336,596
	29,140,911	28,360,445	28,955,313	28,011,539
Financial liabilities				
Financial liabilities at amortised cost	3,497,076	3,760,879	3,394,558	3,626,231

Further quantitative disclosures are included throughout these financial statements.

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

26B. Financial risk management

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

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

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

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

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

26C. Fair value of financial instruments

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

26D. Credit risk on financial assets

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

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

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

26E. Liquidity risk

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is approximately 60 days (2018: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

26F. Interest rate risk

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

	Group and Association	
	2019	2018
	$	$
Financial assets with interests		
Fixed rates	19,927,503	15,179,107
Floating rates	–	413,734
	19,927,503	15,592,841

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

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

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

26G. Foreign currency risk

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

Analysis of amounts denominated in non-functional currencies:

Group and Association	JPY	HKD	USD	EUR	Others	Total
	$	$	$	$	$	$
2019						
Financial assets						
Cash and cash equivalents	682	–	10,013	168	198	11,061
2018						
Financial assets						
Cash and cash equivalents	247	–	9,180	651	2,672	12,750
Other financial assets	576,924	442,281	3,505,978	880,677	776,472	6,182,332
	577,171	442,281	3,515,158	881,328	779,144	6,195,082

Sensitivity analysis

	2019	2018
	$	$
A hypothetical 10% increase in exchange rate of functional currency S$ against JPY would have an adverse effect on fair value	(68)	(57,717)
A hypothetical 10% increase in exchange rate of functional currency S$ against HKD would have an adverse effect on fair value	–	(44,228)
A hypothetical 10% increase in exchange rate of functional currency S$ against USD would have an adverse effect on fair value	(1,001)	(351,516)
A hypothetical 10% increase in exchange rate of functional currency S$ against EUR would have an adverse effect on fair value	(17)	(88,133)

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

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

26G. Foreign currency risk (cont'd)

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

27H. Price risk of equity and debt instruments

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

28. Events after the end of the reporting year

There are current uncertainties in the economy caused by the recent COVID-19 outbreak that will create questions concerning impairment or recoverability of certain assets. These uncertainties have also affected the Group's revenue and results for the next reporting year, in particular, that of the International House, the extent of which will depend on how long the outbreak will last.

29. Changes and adoption of financial reporting standards

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

FRS No.	Title
FRS 116	Leases (and Leases – Illustrative Examples and Amendments to Guidance on Other Standards)
INT FRS 123	Uncertainty over Income Tax Treatments
FRS 12	Improvements (2017) – Amendments: Income Taxes
FRS 23	Improvements (2017) – Amendments: Borrowing Costs
FRS 103	Improvements (2017) – Amendments: Business Combinations

30. New or amended standards in issue but not yet effective

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

FRS No.	Title	Effective date for periods beginning on or after
FRS 103	Definition of a Business – Amendments	1 January 2020
FRS 1 and FRS 8	Definition of Material – Amendments	1 January 2020
	The Conceptual Framework for Financial Reporting	1 January 2020
FRS 117	Insurance Contracts	1 January 2021