



## **SINGAPORE CHILDREN'S SOCIETY**

(UEN No: S62SS0057G)

### **Statement by the Executive Committee and Financial Statements**

Year Ended 31 December 2015

#### **RSM Chio Lim LLP**

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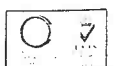
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*UEN: T09LL00051*

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**Statement by the Executive Committee**

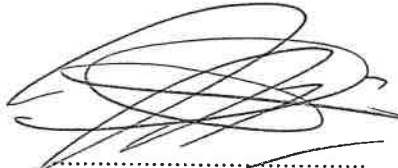
In the opinion of the Executive Committee, the accompanying financial statements are drawn up in accordance with the Singapore Financial Reporting Standards, the Societies Act, Chapter 311 (the "Societies Act") and the Singapore Charities Act, Chapter 37 (the "Charities Act") so as to present fairly, in all material respects, the state of affairs of Singapore Children's Society (the "Society") as at 31 December 2015 and the results, changes in funds and cash flows of the Society for the reporting year ended.

The Executive Committee approved and authorised these financial statements for issue.

On Behalf of the Executive Committee,



.....  
Koh Choon Hui  
Chairman



.....  
Theresa Sim  
Honorary Treasurer

31 March 2016



RSM Chio Lim LLP

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**Independent Auditor's Report to the Members of  
SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)**

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**Report on the financial statements**

We have audited the accompanying financial statements of Singapore Children's Society (the "Society"), which comprise the statement of financial position as at 31 December 2015, and the statement of financial activities, statement of changes in fund and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards, the Societies Act, Chapter 311 (the "Societies Act") and the Singapore Charities Act, Chapter 37 (the "Charities Act"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

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

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

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



**SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)**

**Statement of Financial Activities  
Year Ended 31 December 2015**

		<u>2015</u>	<u>2014</u>
		\$	\$
<b>Incoming Resources</b>			
Donation income	4	14,516,784	12,676,503
Grants	5	5,758,946	3,410,305
Other income	6	1,707,611	1,097,890
Total incoming resources		<u>21,983,341</u>	<u>17,184,698</u>
<b>Resources Expended</b>			
Administrative expenses		1,705,902	1,545,928
Children's home expenses		1,501,107	1,411,994
Children's medical fund expenses	16	271,086	363,846
Fund raising expenses		2,436,465	2,578,085
Information and corporate communications expenses		244,945	239,954
Research and advocacy expenses		1,448,147	1,163,480
Social work service expenses		6,247,343	5,749,864
Total resources expended		<u>13,854,995</u>	<u>13,053,151</u>
Surplus for the year		<u>8,128,346</u>	<u>4,131,547</u>
<b>Other comprehensive income</b>			
Available-for-sale financial assets			
- Other reserves		(1,979,421)	1,110,180
Other comprehensive income	16	<u>(1,979,421)</u>	<u>1,110,180</u>
Total comprehensive income		<u>6,148,925</u>	<u>5,241,727</u>
<b>Surplus for the year is attributable as follows:</b>			
<b>Unrestricted funds:</b>			
- Accumulated surplus	16	7,832,040	4,299,025
<b>Restricted funds:</b>			
- Professor S.S. Ratnam Memorial Fund	16	3,471	1,479
- Children's Medical Fund	16	190,904	(174,893)
- iNSPIRE Fund	16	-	(7,130)
- Madam Ho Yun Wai Fund	16	(4,435)	(70)
- ComCare Fund	16	10,000	-
- The Straits Times School Pocket Money Fund	16	96,366	13,136
		<u>8,128,346</u>	<u>4,131,547</u>
- Other reserves		<u>(1,979,421)</u>	<u>1,110,180</u>
		<u>6,148,925</u>	<u>5,241,727</u>

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

SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)

Statement of Changes in Funds  
Year Ended 31 December 2015

Note	Unrestricted funds		Restricted funds						Total
	Accumulated fund \$	Other reserves \$	Professor S.S. Ratnam memorial fund \$	Children's medical fund \$	Madam Ho Yun Wai fund \$	ComCare fund \$	The Straits Times School Pocket Money fund \$	Other reserves \$	
	48,521,923	2,499,343	247,752	20,283,970	504,435	-	27,817	(21,853)	72,063,387
<b>Current year:</b>									
Opening balance at 1 January 2015	7,832,040	-	3,471	190,904	(4,435)	10,000	96,366	-	8,128,346
<b>Movements in funds:</b>									
<b>Total comprehensive income for the year</b>	-	(2,325,593)	-	-	-	-	-	(90,175)	(2,415,768)
Surplus/(deficit) for the reporting year	-	436,347	-	-	-	-	-	-	436,347
<b>Other comprehensive income</b>	7,832,040	(1,889,246)	3,471	190,904	(4,435)	10,000	96,366	(112,028)	6,148,925
Changes in fair value of available-for-sale financial assets									
Foreign exchange adjustment on non-monetary assets									
<b>Closing balance at 31 December 2015</b>	<b>56,353,963</b>	<b>610,097</b>	<b>251,223</b>	<b>20,474,874</b>	<b>500,000</b>	<b>10,000</b>	<b>124,183</b>	<b>(112,028)</b>	<b>78,212,312</b>

SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)

**Statement of Cash Flows**  
**Year Ended 31 December 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>Cash flows from operating activities</u></b>		
Surplus for the year	8,128,346	4,131,547
Adjustments for:		
Depreciation of plant and equipment	354,611	242,524
Dividend income	(615,367)	(454,530)
Interest income	(896,885)	(475,487)
Net gains on sale of available-for-sale financial assets	(95,823)	(40,598)
Plant and equipment written off	72,219	9,679
Unrealised exchange (gain) loss	157,455	70,935
Management fee	132,254	42,979
<b>Operating surplus before changes in working capital</b>	<u>7,236,810</u>	<u>3,527,049</u>
Inventories	2,625	(3,779)
Other receivables	(814,035)	(88,685)
Other assets	827	(25,831)
Other liabilities	238,751	156,533
Trade and other payables	184,374	34,761
<b>Net cash flows from operating activities</b>	<u>6,849,352</u>	<u>3,600,048</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(652,330)	(712,893)
Interest received	410,774	305,670
Dividend received	338,789	137,795
Proceeds from disposal of available-for-sale financial assets	2,206,919	1,718,198
Purchase of available-for-sale financial assets	(47,982)	(16,282,518)
<b>Net cash flows from (used in) investing activities</b>	<u>2,256,170</u>	<u>(14,833,748)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	9,105,522	(11,233,700)
Cash and cash equivalents, beginning balance	<u>41,170,901</u>	<u>52,404,601</u>
<b>Cash and cash equivalents, ending balance (Note 15)</b>	<u>50,276,423</u>	<u>41,170,901</u>

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

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

**2A. Significant accounting policies**

**Revenue recognition**

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is deferred only when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Society has unconditional entitlement. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Society and it is shown net of related sales taxes and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer; there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(i) Donations and sponsorships

Revenue from donations and sponsorships are accounted for when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Revenue from fundraising event is recognised when the event has occurred.

(ii) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate.

(iii) Dividend Income

Dividend from equity instruments is recognised as income when the Society's right to receive dividend is established. This is usually ex-dividend date for quoted shares.

(iv) Government Grant

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

**Gifts in kind**

A gift-in-kind (if any) is included in the statement of financial activities 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.

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

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

**Plant and equipment (cont'd)**

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 Society. 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. On disposal, the difference between the carrying amount of the plant and equipment and the sales proceeds is recognised in profit and loss.

**Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

**Inventories**

Inventories are measured at the lower of cost (weighted average) 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. A write down on cost is made for where the cost is not recoverable or where applicable if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at 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.

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

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

**Financial assets (cont'd)**

2. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading other reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt securities classified as available-for-sale, impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For debt instruments classified as available-for-sale, the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. Usually non-current investments in equity and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity securities impairment losses are not reversed. These investments are included in non-current assets except for investments that management may decide to dispose of within 12 months from the balance sheet date.

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

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

**Financial liabilities (Cont'd)**

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

**Derivatives**

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

**Fair value of measurement**

Fair value is taken to be 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 (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, Society uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. 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. In making the fair value measurement, Society determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

**3. Related party relationships and transactions**

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) 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 committee members and key management of the Society. 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 Chief Executive Officer (CEO) and the direct reporting senior members.

All members of the Executive Committee and Standing Committees and staff members of the Society 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 Executive Committee and Standing Committees are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

**3A. Key management compensation:**

	<u>2015</u>	<u>2014</u>
	\$	\$
Salaries and other short-term employee benefits	1,684,119	1,529,866
Number of key management personnel	<u>15</u>	<u>14</u>

The above amounts are included under employee benefits expense.

Key management personnel comprise the Chief Executive Officer and the direct reporting senior members.

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the three highest paid staff classified by remuneration bands are as follows:

	<u>2015</u>	<u>2014</u>
\$100,001 - \$200,000	2	2
\$200,001 - \$300,000	<u>1</u>	<u>1</u>

**SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)**

**7. Tax exempt receipts**

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The Institutions of a Public Character status granted to the Society for donations is for the period from 1 July 2013 to 30 June 2017 under the Ministry of Social and Family Development.

	<u>2015</u> \$	<u>2014</u> \$
Tax-exempt receipts issued for donations collected	<u>13,064,429</u>	<u>11,365,548</u>

**8. Total resources expended**

	<u>2015</u> \$	<u>2014</u> \$
Included in total resources expended are the following items:		
Audit fees	37,450	29,750
Depreciation on property, plant and equipment (Note 10)	354,611	242,524
Operating lease expenses (Note 24)	505,415	537,531
Loss on disposal of plant and equipment	72,219	9,679
Loss from exchange rates movement	157,455	70,935
Employee benefits expense (Note 9)	<u>9,016,471</u>	<u>8,142,957</u>

**9. Employee benefits expense**

	<u>2015</u> \$	<u>2014</u> \$
Salaries and related costs	7,835,424	7,142,039
Contributions to defined contribution plan	<u>1,181,047</u>	<u>1,000,918</u>
Total employee benefits expense (Note 8)	<u>9,016,471</u>	<u>8,142,957</u>

SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)

11. Available-for-sale financial assets at fair value through other comprehensive income

	<u>2015</u>	<u>2014</u>
	\$	\$
Movements during the year:		
Fair value at 1 January	30,428,519	14,537,828
Additions	47,982	16,282,518
Disposals	(2,266,972)	(1,641,520)
Net investment gains/ (losses)	405,302	160,565
Fair value change on financial assets	(2,415,768)	1,064,219
Foreign exchange adjustment on financial assets	436,347	45,961
Movement on derivatives	40,450	(21,052)
Fair value at end of the year	<u>26,675,860</u>	<u>30,428,519</u>

Available-for-sale financial assets through other comprehensive income are classified as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
– current	17,234,537	16,078,098
– non-current	<u>9,441,323</u>	<u>14,350,421</u>
	<u>26,675,860</u>	<u>30,428,519</u>

Net investment gains or losses include gains or losses made from disposals, re-investments, interest income, dividend income and related expenses incurred.

Available-for-sale financial assets are analysed as follows:

	<u>Level</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		%	%	\$	\$
<u>Quoted equity securities</u>					
Singapore	1	35	39	9,265,058	11,774,522
US	1	11	10	2,885,856	2,710,129
Europe	1	4	4	1,176,496	1,170,080
UK	1	1	1	192,454	385,573
Others	1	5	4	1,291,002	1,233,611
		<u>56</u>	<u>58</u>	<u>14,810,866</u>	<u>17,273,915</u>
<u>Quoted debt securities</u>					
Singapore	1	33	33	8,861,148	10,061,044
US	1	7	1	1,814,008	404,407
		<u>40</u>	<u>34</u>	<u>10,675,156</u>	<u>10,465,451</u>
<u>Derivatives financial instruments (Note 19)</u>					
US	2	–	–	(32,087)	(31,054)
Europe	2	–	–	37,888	1,386
UK	2	–	–	3,169	657
Others	2	–	–	10,428	7,959
		<u>–</u>	<u>–</u>	<u>19,398</u>	<u>(21,052)</u>

**SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)**

**14. Other assets**

	<u>2015</u>	<u>2014</u>
	\$	\$
Prepayments	<u>117,999</u>	<u>118,826</u>

**15. Cash and cash equivalents**

	<u>2015</u>	<u>2014</u>
	\$	\$
Cash and bank balances	6,343,353	6,708,943
Fixed deposits with financial institutions	<u>43,933,070</u>	<u>34,461,958</u>
	<u>50,276,423</u>	<u>41,170,901</u>
Interest earnings balances	<u>43,933,070</u>	<u>34,461,958</u>

The fixed deposits earn interest at rates ranging from 0.7% to 2.0% (2014: 0.6% to 1.6%) per annum. Interest rates reprice at intervals of two to twelve months (2014: one week to twelve months).

16. Fund account transactions and balances (cont'd)

	Unrestricted Funds		Restricted Funds						Total
	Accumulated Fund \$	Other Reserves \$	Professor S.S.Ratnam Memorial Fund \$	Children's Medical Fund \$	INSPIRE Fund (iv) \$	Madam Ho Yun Wai Fund \$	The Straits Times School Pocket Money Fund \$	Other Reserves \$	
<b>Incoming Resources</b>									
Donation income	12,628,503	-	-	25,000	23,000	-	-	-	12,676,503
Grants	3,216,949	-	-	-	-	-	193,356	-	3,410,305
Other income	926,009	-	2,469	163,953	-	5,459	-	-	1,097,890
	<u>16,771,461</u>	<u>-</u>	<u>2,469</u>	<u>188,953</u>	<u>23,000</u>	<u>5,459</u>	<u>193,356</u>	<u>-</u>	<u>17,184,698</u>
<b>Resources Expended</b>									
Administrative expenses	(1,545,928)	-	-	-	-	-	-	-	(1,545,928)
Children's home expenses	(1,411,994)	-	-	-	-	-	-	-	(1,411,994)
Children's medical fund expenses	-	-	-	(363,846)	-	-	-	-	(363,846)
Fund raising expenses	(2,578,085)	-	-	-	-	-	-	-	(2,578,085)
Information and corporate communications expenses	(239,954)	-	-	-	-	-	-	-	(239,954)
Research and advocacy expenses	(1,163,480)	-	-	-	-	-	-	-	(1,163,480)
Social work service expenses	(5,532,995)	-	(990)	-	(30,130)	(5,529)	(180,220)	-	(5,749,864)
	<u>(12,472,436)</u>	<u>-</u>	<u>(990)</u>	<u>(363,846)</u>	<u>(30,130)</u>	<u>(5,529)</u>	<u>(180,220)</u>	<u>-</u>	<u>(13,053,151)</u>
<b>Surplus for the year</b>	<u>4,299,025</u>	<u>-</u>	<u>1,479</u>	<u>(174,893)</u>	<u>(7,130)</u>	<u>(70)</u>	<u>13,136</u>	<u>-</u>	<u>4,131,547</u>
<b>Other comprehensive income</b>									
Changes in fair value of available-for-sale financial assets	-	1,086,072	-	-	-	-	-	(21,853)	1,064,219
Foreign exchange adjustment on non-monetary assets	-	45,961	-	-	-	-	-	-	45,961
<b>Total comprehensive income</b>	<u>4,299,025</u>	<u>1,132,033</u>	<u>1,479</u>	<u>(174,893)</u>	<u>(7,130)</u>	<u>(70)</u>	<u>13,136</u>	<u>(21,853)</u>	<u>5,241,727</u>

SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)

16. Fund account transactions and balances (cont'd)

	Unrestricted Funds		Restricted Funds					
	Accumulated Fund \$	Other Reserves \$	Professor S.S.Ratnam Memorial Fund \$	Children's Medical Fund \$	Madam Ho Yun Wai Fund \$	The Straits Times School Pocket Money Fund \$	Other Reserves \$	Total \$
<b>Non-current assets</b>								
Plant and equipment	857,000	-	-	-	-	-	-	857,000
Available-for-sale financial assets	14,350,421	-	-	-	-	-	-	14,350,421
	<u>15,207,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,207,421</u>
<b>Current assets</b>								
Available-for-sale financial assets	3,658,831	2,499,343	-	9,941,777	-	-	(21,853)	16,078,098
Inventories	13,004	-	-	-	-	-	-	13,004
Other receivables	633,493	-	1,652	128,191	-	-	-	763,336
Other assets	118,826	-	-	-	-	-	-	118,826
Cash and cash equivalents	30,145,990	-	246,100	10,246,559	504,435	27,817	-	41,170,901
	<u>34,570,144</u>	<u>2,499,343</u>	<u>247,752</u>	<u>20,316,527</u>	<u>504,435</u>	<u>27,817</u>	<u>(21,853)</u>	<u>58,144,165</u>
<b>Total assets</b>	<u>49,777,565</u>	<u>2,499,343</u>	<u>247,752</u>	<u>20,316,527</u>	<u>504,435</u>	<u>27,817</u>	<u>(21,853)</u>	<u>73,351,586</u>
<b>Non-current liabilities</b>								
Other liabilities	117,000	-	-	-	-	-	-	117,000
<b>Current liabilities</b>								
Trade and other payables	950,248	-	-	32,557	-	-	-	982,805
Other liabilities	188,394	-	-	-	-	-	-	188,394
	<u>1,255,642</u>	<u>-</u>	<u>-</u>	<u>32,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,288,199</u>
<b>Net assets</b>	<u>48,521,923</u>	<u>2,499,343</u>	<u>247,752</u>	<u>20,283,970</u>	<u>504,435</u>	<u>27,817</u>	<u>(21,853)</u>	<u>72,063,387</u>

SINGAPORE CHILDREN'S SOCIETY (UEN No: S62SS0057G)

17. Other liabilities, non-current

	<u>2015</u>	<u>2014</u>
	\$	\$
Provision for restoration costs:		
Balance brought forward	117,000	112,500
Provision	221,485	4,500
Provision utilised included in administrative expenses	<u>(17,000)</u>	<u>—</u>
Balance carried forward	<u>321,485</u>	<u>117,000</u>

The above provision represents the estimated costs of dismantling, removing and restoring leased premises to their original condition at the expiration of the lease periods. The estimated costs are determined based on quotations received from external parties.

18. Trade and other payables

	<u>2015</u>	<u>2014</u>
	\$	\$
Accrued liabilities	808,567	783,219
Other payables	<u>358,612</u>	<u>199,586</u>
	<u>1,167,179</u>	<u>982,805</u>

19. Derivatives financial instruments

	<u>2015</u>	<u>2014</u>
	\$	\$
Assets-derivatives with positive fair values:		
Foreign currency contracts	70,045	16,956
Liabilities-derivatives with negative fair values:		
Foreign currency contracts	<u>(50,647)</u>	<u>(38,008)</u>
Net (Note 11)	<u>19,398</u>	<u>(21,052)</u>

The above contracts are transacted by external fund manager to hedge foreign currency exposure arising from the investment in overseas assets (Note 11).

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

Forward currency contracts

<u>2015</u>	Contract Notional <u>Amounts</u>	<u>Assets</u>	<u>Liabilities</u>
		\$	\$
Forward currency contract - Purchases	281,242	3,307	(3,147)
Forward currency contract - Sales	(7,565,346)	<u>66,738</u>	<u>(47,500)</u>
		<u>70,045</u>	<u>(50,647)</u>
<u>2014</u>	Contract Notional <u>Amounts</u>	<u>Assets</u>	<u>Liabilities</u>
		\$	\$
Forward currency contract - Purchases	216,456	212	(2,387)
Forward currency contract - Sales	(5,524,563)	<u>16,744</u>	<u>(35,621)</u>
		<u>16,956</u>	<u>(38,008)</u>

The above contracts have maturity dates within one year.

**22. Financial instruments: information on financial risks**

**22A. Categories of financial assets and liabilities**

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

	<u>2015</u>	<u>2014</u>
	\$	\$
<u>Financial assets:</u>		
Loans and receivables	1,760,475	763,336
Available-for-sale financial assets	26,675,860	30,428,519
Cash and cash equivalents	50,276,423	41,170,901
At end of the year	<u>78,712,758</u>	<u>72,362,756</u>
<u>Financial liabilities:</u>		
Trade and other payables at amortised cost	1,167,179	982,805
At end of the year	<u>1,167,179</u>	<u>982,805</u>

Further quantitative disclosures are included throughout these financial statements.

**22B. 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 Society has undertaken certain practices for the management of financial risks based on good market practice.

During the year, 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 Society maintains positions in a variety of financial instruments in accordance with its investment objectives and guidelines.

The Society's Investment Committee is tasked with the responsibility to review the investment operations of the Society and to make appropriate investment decisions. The Investment Committee works within the guidelines of the Society's Investment Policy.

The Investment Committee meets regularly to assess and review the risks as well as performance of the investments (see Note 11).

**22C. Fair values 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 both 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.

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

22G. Foreign currency risk

Analysis of major amounts denominated in non-functional currency:

	<u>Sterling Pound</u> \$	<u>US Dollars</u> \$	<u>Euro Dollars</u> \$	<u>Total</u> \$
<u>2015:</u>				
<u>Financial assets:</u>				
Available for sale financial assets	192,454	5,378,174	1,187,088	6,757,716
<u>Financial liabilities:</u>				
Foreign currency contracts	(188,613)	(4,767,743)	(1,174,732)	(6,131,088)
Net financial assets	<u>3,841</u>	<u>610,431</u>	<u>12,356</u>	<u>626,628</u>
<u>2014:</u>				
<u>Financial assets:</u>				
Available for sale financial assets	385,573	3,114,536	1,606,276	5,106,385
<u>Financial liabilities:</u>				
Foreign currency contracts	(370,278)	(2,321,690)	(1,528,265)	(4,220,233)
Net financial assets	<u>15,295</u>	<u>792,846</u>	<u>78,011</u>	<u>886,152</u>

Sensitivity analysis:

	<u>2015</u> \$	<u>2014</u> \$
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against Sterling Pound would have an adverse effect on profit before tax	(384)	(1,530)
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against US Dollars would have an adverse effect on profit before tax	(61,043)	(79,285)
A hypothetical 10% increase in the exchange rate of the functional currency S\$ against Euro Dollars would have an adverse effect on profit before tax	<u>(1,236)</u>	<u>(7,801)</u>

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

The hypothetical in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each 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.

**26. New or amended standards in issue but not yet effective**

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") 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 material adjustments to the financial position, results of operations, or cash flows for the following year.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16 & 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 114	Regulatory Deferral Accounts	1 Jan 2016
Various	Improvements to FRSs (Issued in November 2014)	1 Jan 2016
	FRS 107 Financial Instruments: Disclosures - Servicing contracts	
	FRS 19 Employee Benefits - Discount rate: regional market issue	
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018

**27. Comparative figures**

The financial statements for the reporting year ended 31 December 2014 were audited by another independent auditor (other than RSM Chio Lim LLP) whose report dated 31 March 2015 expressed an unqualified opinion on those financial statements.