

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)
(Registered in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

**CONCERN & CARE SOCIETY
(UEN: T01SS0058F)**

EXECUTIVE COMMITTEE

Name

MDM MARGARET WEE BEE HOON
CATHERINE FOO AH HIONG
ELIZABETH ONG PECK ENG
JACK CHANG CHIA SHENG
MAY SNG KHAR ENG

Position on Board

PRESIDENT
VICE-PRESIDENT
VICE-PRESIDENT
HONORARY SECRETARY
HONORARY TREASURER

REGISTERED OFFICE

228 Bukit Batok Central #01-45
Singapore 650228

AUDITORS

Kreston David Yeung PAC
128A Tanjong Pagar Road
Singapore 088535

BANKERS

UNITED OVERSEAS BANK
MAYBANK

**CONCERN & CARE SOCIETY
(UEN: T01SS0058F)**

STATEMENT BY THE COMMITTEE MEMBERS

In our opinion:-

The accompanying financial statements of Concern & Care Society (the “Society”) set out on pages 6 to 27 are properly drawn up in accordance with the provision of the Societies Act, Cap. 311, Charities Act, Cap. 37 and Singapore Financial Reporting Standards, so as to give a true and fair view of the financial position of the Society as at 31 March 2017 and the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Management Committee,

MARGARET WEE BEE HOON, BBM
President

MAY SNG KHAR ENG
Honorary Treasurer

Singapore,



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCERN & CARE SOCIETY (UEN: T01SS0058F)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Concern & Care Society (the "Society"), which comprise the statement of financial position as at 31 December 2016, and the income and expenditure statement, statement of comprehensive income, statement of change in accumulated fund and miscellaneous funds, and statement of cash flows of the Society for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2016 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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 Committee Members (set out on page 2) and the information included in 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 auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCERN & CARE SOCIETY (UEN: T01SS0058F) (Continued)

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCERN & CARE SOCIETY (UEN: T01SS0058F) (Continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

- a) the Society has not used the donation monies in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore,

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and a member of **Kreston International**

128A Tanjong Pagar Road, Singapore 088535

Tel: 6223 7979 Fax: 6222 7979

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

ASSETS	Note	2017 S\$	2016 S\$
Non-current asset			
Plant and equipment	3	91,406	145,665
Current assets			
Inventories, at cost		20,709	21,233
Deposits		2,374	13,050
Prepayments		1,493	4,446
Other receivables		15,926	14,870
Cash and bank balances	4	417,307	177,828
Fixed deposits	4	319,453	614,284
Total current assets		<u>777,262</u>	<u>845,711</u>
Total assets		<u>868,668</u>	<u>991,376</u>
 FUNDS AND LIABILITIES			
Funds			
Accumulated fund		1,581,491	1,632,925
Neighbourhood Link Restricted fund	5	(817,952)	(847,009)
Community Silver Trust fund	6	-	41,178
Deferred capital grant	7	89,872	133,459
Total funds		<u>853,411</u>	<u>960,553</u>
Current liabilities			
Trade payables		3,059	16,391
Deposit received		242	242
Accruals		11,956	14,190
Total current liabilities		<u>15,257</u>	<u>30,823</u>
Total funds and liabilities		<u>868,668</u>	<u>991,376</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 March 2017

				2017
	Note	Concern & Care Society (CCS) S\$	Neighbourhood Link (NL) S\$	Total S\$
INCOME				
Capital grant	7	-	84,765	84,765
Donation - Tax deductible	8	-	177,213	177,213
Donation - Speaker (Tax deductible)	8	-	900	900
Donation in Kind		-	412	412
Donation - NPVC		-	510	510
Programme fee		-	2,316	2,316
Sales - T-shirts and equipments		408	-	408
Membership fee		290	-	290
Flag day fund raising		-	6,147	6,147
Other income		-	2,763	2,763
IRAS credit		-	1,140	1,140
Fixed deposit interest		9,776	-	9,776
Miscellaneous donation				-
- Tax deductible	8,11	-	3,105	3,105
- Non tax deductible	8,11	-	2,450	2,450
Coffee corner - sales		-	4,038	4,038
CPF rebates - Employing Senior		-	2,885	2,885
Operating grant - MSF		-	28,832	28,832
		<u>10,474</u>	<u>317,476</u>	<u>327,950</u>
Less: EXPENDITURE (Page 7)		<u>(61,908)</u>	<u>(288,419)</u>	<u>(350,327)</u>
(Deficit)/Surplus for the year		<u>(51,434)</u>	<u>29,057</u>	<u>(22,377)</u>
Less: Taxation		<u>-</u>	<u>-</u>	<u>-</u>
Net (deficit)/surplus for the year		<u>(51,434)</u>	<u>29,057</u>	<u>(22,377)</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 March 2017

		2017	
	Concern & Care Society (CCS) S\$	Neighbourhood Link (NL) S\$	Total S\$
	Note		
EXPENDITURE			
Cyclist's refreshment	-	2,085	2,085
Auditors' remuneration	4,494	-	4,494
Bank charges	153	-	153
Cost of sales - T-shirt and equipment	-	797	797
Singapore International Super Talents & Art 2011 project (SISTAR)	10	51	51
Depreciation of plant and equipment	3	82,509	82,509
Expense of minor asset	-	139	139
Flagday - Expenses	-	807	807
Foreign worker levy	3,600	-	3,600
General expenses	416	-	416
Insurance	476	4,347	4,823
Medical fee	-	649	649
Newspaper	-	866	866
Office supplies	-	218	218
Printing and stationery	73	840	913
Professional fee	2,996	-	2,996
Programme expenses	3,628	6,607	10,235
Publication and promotions	5,353	-	5,353
Salaries and bonus	35,351	101,905	137,256
Telecommunication expenses	-	4,933	4,933
Volunteer - Meal and transport allowance	11	6,837	6,837
Volunteer - Training and refreshment	4,982	-	4,982
Volunteer - Concern Fund	386	-	386
Cost of sales - Coffee corner	-	3,906	3,906
CPF and SDL	-	19,077	19,077
Maintenance costs	-	22,171	22,171
Rental of equipment	-	2,042	2,042
Rental of premise	-	19,835	19,835
Training fee	-	380	380
Transportation fee	-	21	21
Utilities	-	7,397	7,397
		<u>61,908</u>	<u>288,419</u>
		<u>288,419</u>	<u>350,327</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 March 2017

		2016		
	Note	Concern & Care Society (CCS) S\$	Neighbourhood Link (NL) S\$	Total S\$
INCOME				
Capital grant	7	-	79,837	79,837
Donation - Tax deductible	8	-	66,685	66,685
Donation - Speaker (Tax deductible)	8	-	1,050	1,050
Programme fee		-	2,101	2,101
Sales - T-shirts and equipments		640	-	640
Membership fee		330	-	330
Sponsor cyclist event	9	-	22,000	22,000
Flag day fund raising		-	5,902	5,902
Other income		-	3,329	3,329
IRAS credit		-	2,656	2,656
Fixed deposit interest		8,577	-	8,577
Miscellaneous donation				-
- Tax deductible	8,11	-	4,102	4,102
- Non tax deductible	8,11	-	698	698
Coffee corner - sales		-	3,744	3,744
CPF rebates - Employing Senior		-	3,407	3,407
Operating grant - MSF		-	115,327	115,327
Donation tax deductible - Cycling				
- New Chapter From Singapore	8, 9	-	45,000	45,000
Surplus cycling - New Chapter From Singapore	9	-	6,832	6,832
		<u>9,547</u>	<u>362,670</u>	<u>372,217</u>
Less: EXPENDITURE (Page 9)		<u>(79,942)</u>	<u>(363,868)</u>	<u>(443,810)</u>
Deficit for the year		<u>(70,395)</u>	<u>(1,198)</u>	<u>(71,593)</u>
Less: Taxation		<u>-</u>	<u>-</u>	<u>-</u>
Net deficit for the year		<u>(70,395)</u>	<u>(1,198)</u>	<u>(71,593)</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 March 2017

				2016
	Note	Concern & Care Society (CCS) S\$	Neighbourhood Link (NL) S\$	Total S\$
EXPENDITURE				
Cyclist's refreshment		-	1,551	1,551
Auditors' remuneration		4,334	-	4,334
Bank charges		205	-	205
Cost of sales - T-shirt and equipment		-	1,793	1,793
Singapore International Super Talents & Art 2011 project (SISTAR)	10	-	51	51
Depreciation of plant and equipment	3	2,052	84,147	86,199
Expense of minor asset		329	-	329
Foreign worker levy		3,600	-	3,600
General expenses		356	191	547
Insurance		476	3,527	4,003
Medical fee		-	586	586
Newspaper		-	822	822
Office supplies		-	268	268
Printing and stationery		296	1,127	1,423
Professional fee		3,695	-	3,695
Programme expenses		21,400	11,247	32,647
Publication and promotions		7,821	-	7,821
Salaries and bonus		34,910	114,248	149,158
Telecommunication expenses		97	5,022	5,119
Volunteer - Meal and transport allowance	11	-	6,067	6,067
Volunteer - Training and refreshment		371	-	371
Cost of sales - Coffee corner		-	4,180	4,180
CPF and SDL		-	21,175	21,175
Cycling - New Chapter from Singapore	9	-	51,266	51,266
Maintenance costs		-	24,129	24,129
Rental of equipment		-	2,042	2,042
Rental of premise		-	19,835	19,835
Travelling and transportation		-	249	249
Utilities		-	10,345	10,345
		<u>79,942</u>	<u>363,868</u>	<u>443,810</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2017

	Note	2017 S\$	2016 S\$
Net deficit for the year		(22,377)	(71,593)
Net income for Restricted Fund			
Community Silver Trust fund	6	<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(22,377)</u>	<u>(71,593)</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

**STATEMENT OF CHANGES IN ACCUMULATED FUND
AND MISCELLANEOUS FUNDS**
For the year ended 31 March 2017

	Accumulated Fund S\$	Neighbourhood Link Restricted Fund S\$	Community Silver Trust Fund S\$	Deferred Capital Grant S\$	Total S\$
Balance as at 01.04.2015	1,703,320	(845,811)	241,367	13,107	1,111,983
Transfer to deferred capital grant	-	-	(200,189)	200,189	-
Amortisation	-	-	-	(79,837)	(79,837)
Net (deficit)/surplus for the year	<u>(70,395)</u>	<u>(1,198)</u>	<u>-</u>	<u>-</u>	<u>(71,593)</u>
Balance as at 31.03.2016/ 01.04.2016	1,632,925	(847,009)	41,178	133,459	960,553
Transfer to deferred capital grant	-	-	(41,178)	41,178	-
Amortisation	-	-	-	(84,765)	(84,765)
Net (deficit)/surplus for the year	<u>(51,434)</u>	<u>29,057</u>	<u>-</u>	<u>-</u>	<u>(22,377)</u>
Balance as at 31.03.2017	<u>1,581,491</u>	<u>(817,952)</u>	<u>-</u>	<u>89,872</u>	<u>853,411</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

STATEMENT OF CASH FLOWS
For the year ended 31 March 2017

	2017	2016
Note	S\$	S\$
Cash flows from operating activities		
Deficit for the year	(22,377)	(71,593)
Adjustments for: -		
Capital grant income	(84,765)	(79,837)
Depreciation of plant and equipment	82,509	86,199
Interest income	(9,776)	(8,577)
Losses related to restricted fund	<u>1,282</u>	<u>1,267</u>
Operating cash flows before changes in working capital	(33,127)	(72,541)
Decrease in inventories	524	4,128
Decrease in deposits, prepayments and other receivables	22,012	8,421
Decrease in grant receivable	-	14,145
(Decrease)/Increase in trade payables	(13,332)	11,260
Decrease in other payables and accruals	(2,234)	(27,336)
Decrease in deferred capital grant	<u>41,178</u>	<u>200,189</u>
Net cash generated from operating activities	<u>15,021</u>	<u>138,266</u>
Cash flows from investing activities		
Purchase of plant and equipment	(28,250)	(217,717)
Interest received	<u>337</u>	<u>4,301</u>
Net cash used in investing activities	<u>(27,913)</u>	<u>(213,416)</u>
Net decrease in cash and cash equivalents	(12,892)	(75,150)
Cash and cash equivalents at beginning of year	<u>740,856</u>	<u>816,006</u>
Cash and cash equivalents at end of year	4 <u>727,964</u>	<u>740,856</u>

The notes set out on pages 14 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

CONCERN & CARE SOCIETY
(UEN: T01SS0058F)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

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

1. GENERAL

Concern & Care Society (the “Society”) is registered in Singapore under the Singapore Societies Act, Cap. 311. The Society is also registered as a charity under the Singapore Charities Act, Cap. 37 with effect from 13 August 2001. The IPC status of the Society has been renewed for a period of one and a half years, from 1 May 2016 to 31 October 2017.

The objectives of the Society are to help and to give relief to families in hardship or which are dysfunctional and to provide welfare and community services.

The Society’s registered office is located at 228 Bukit Batok Central #01-45, Singapore 650228.

The principal activities of the Society are carried out at the following premises:-

‘Neighbourhood Link’ located at Blk 228 Bukit Batok Central, #01-45 Singapore 650228.

The main objectives of the centre are to serve as a link between residents in the neighbourhood and to provide and coordinate activities that will promote and contribute to the general well-being of the neighbourhood.

The financial statements of the Society is expressed in Singapore dollar (S\$).

The Management Committee approved and authorised these financial statements for issue on

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Society have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”) including its related Interpretations.

In the current financial year, the Society has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Society's accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

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

Critical assumptions used and accounting estimates in applying accounting policies

Useful lives of plant and equipment

As described in Note 2(c), the Society reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the Management Committee's estimation of the periods that the Society intends to derive future economic benefits from the use of the Society's plant and equipment.

The carrying amount of plant and equipment at the end of the reporting period are disclosed in Note 3 to the financial statements.

Critical judgements made in applying accounting policies

In the process of applying the Society's accounting policies, Management Committee had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Allowance for credit losses

Allowance for credit losses of the Society is based on an evaluation of the collectibility of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Society contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

Allowance for inventories

The Society reviews the carrying value of its inventories to ensure that they are stated at lower of cost and net realisable value. In assessing the net realisable value and making appropriate allowances, Management Committee identifies inventories that are slow moving or obsolete, considers their physical conditions, market conditions and market price for similar items.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Impairment of plant and equipment

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

c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Renovation	3 years
Furniture and fittings	3 years
Equipment and computers	3 years

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

The residual values, useful life and depreciation method are reviewed and adjusted as appropriate at each financial year-end. The effects of any revision are recognised in the income and expenditure statement when the changes arise.

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

d) Inventories

Inventories are valued at the lower of cost (first-in, first-out basis) and net realisable value. Inventories comprise T-shirt, warmer, cushion finger sports and other exercise equipment and apparels.

e) Functional and Presentation Currency

The functional and presentation currency of the Society is Singapore dollar. As the Society's operating activities are denominated primarily in Singapore dollar, the Management Committee is of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Society.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Foreign Currencies

Transactions in foreign currencies are measured and recorded in Singapore dollar at rates of exchange approximating those ruling at the dates of transactions. At the end of reporting period, recorded monetary balances that are denominated in a foreign currency are adjusted to reflect the rate at the end of reporting period. All realised and unrealised differences are taken to the income and expenditure statement.

g) Revenue Recognition

Donations are recognised when received, except for committed donations and sponsorships that are recorded and recognised for the designated period when the donations are committed.

Interest income is recognised using the effective interest method.

Sales of T-shirts and equipment income are recognised when the goods sold are delivered.

Programme fees are recognised when the activities accepted by members/residents and services are rendered.

Membership fee is recognised when due.

Funding from Community Silver Trust (CST) is a matching grant which is recognised as income over the periods necessary to match the specific costs that it is intended to compensate.

h) Employee Benefits

As required by law, the Society makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as expense in the period in which the related services is performed.

i) Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to income and expenditure statement over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expenses item, it is recognised in income and expenditure statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Employee Leave Entitlement

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

k) Financial Assets

Initial recognition and measurement

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

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

Subsequent measurement

Loans and receivables

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

Derecognition

All financial assets are recognised on the trade-date – the date on which the Society commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

l) Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of Financial Assets

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

Financial assets carried at amortised cost

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

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

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

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

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

n) Impairment of Non-Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Impairment of Non-Financial Assets (Continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or group of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the income and expenditure account except for assets that are previously revalued where the revaluation was taken up to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income and expenditure account unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

o) Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Financial Liabilities (Continued)

Derecognition

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

p) Provisions

Provisions are recognised when the Society has 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.

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

q) Contingencies

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

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

r) Funds

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

s) Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society. The Committee members and certain heads of departments and managers are considered as key management personnel.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

3. PLANT AND EQUIPMENT

	Renovation S\$	Furniture and Fittings S\$	Equipment and Computers S\$	Bikes	Total S\$
Cost					
At 01.04.2015	231,585	45,477	96,110	22,419	395,591
Additions	158,682	-	59,035	-	217,717
Disposals	(127,916)	(26,295)	(35,097)	-	(189,308)
At 31.03.2016/01.04.2016	262,351	19,182	120,048	22,419	424,000
Additions	-	-	28,250	-	28,250
At 31.03.2017	262,351	19,182	148,298	22,419	452,250
Accumulated Depreciation					
At 01.04.2015	220,291	45,477	94,310	21,366	381,444
Charge for the year	64,188	-	20,958	1,053	86,199
Disposal	(127,916)	(26,295)	(35,097)	-	(189,308)
At 31.03.2016/01.04.2016	156,563	19,182	80,171	22,419	278,335
Charge for the year	52,894	-	29,615	-	82,509
At 31.03.2017	209,457	19,182	109,786	22,419	360,844
Net Book Value					
At 31.03.2017	52,894	-	38,512	-	91,406
At 31.03.2016	105,788	-	39,877	-	145,665

4. CASH AND CASH EQUIVALENTS

	2017 S\$	2016 S\$
Cash and cash equivalents consist of:-		
Fixed deposits	319,453	614,284
Cash in hand	631	561
Cash at bank	416,676	177,267
	736,760	792,112
Less: Government subsidies received from Community		
Silver Trust (Note 6)	-	(41,178)
Miscellaneous fund (Note 11)	(8,796)	(10,078)
	727,964	740,856

Fixed deposits are placed for varying periods of between 1 to 24 months depending on the immediate cash requirements of the Society and earn interest of 0.05% to 1.8% (2016: 0.05% to 1.9%) per annum.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

5. NEIGHBOURHOOD LINK RESTRICTED FUND

	2017	2016
	S\$	S\$
Balance at beginning of year	(847,009)	(845,811)
Surplus/(Deficit) during the year	<u>29,057</u>	<u>(1,198)</u>
Balance at end of year	<u>(817,952)</u>	<u>(847,009)</u>

The Reserve is restricted for the operation of Neighbourhood Link programme, the program is set for the benefit of its intended clients in accordance with the prevailing Neighbourhood Link Service Model. In keeping with the funder and donor's intent use of monies, the Reserve will not be transferred out of the programme for other purposes.

6. COMMUNITY SILVER TRUST FUND

	2017	2016
	S\$	S\$
Balance at beginning of year	41,178	241,367
Less: Utilisation of funds		
<u>Transfer to deferred capital grant: (Note 7)</u>		
Renovation	12,929	141,853
Equipment and computer	28,249	58,336
	<u>(41,178)</u>	<u>(200,189)</u>
Balance at end of year	<u>-</u>	<u>41,178</u>

The Community Silver Trust (CST) was set up by the Singapore government to encourage donations and to provide additional resources for the Voluntary Welfare Organisations (VWOs) in the intermediate and long-term care (ILTC) sector to enhance capabilities and to provide value-added services to achieve higher quality care and affordable step down care. From the financial year 2014, eligible VWOs are allowed to utilise the CST matching grant for recurrent operating expenses, subject to threshold determined based on 40% of eligible donations received in the preceding year.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

7. DEFERRED CAPITAL GRANT

	2017	2016
	S\$	S\$
Balance at beginning of year	133,459	13,107
Additions during the year (Note 6)	41,178	200,189
Less: Amortisation for the year	<u>(84,765)</u>	<u>(79,837)</u>
Balance at end of the year	<u>89,872</u>	<u>133,459</u>

The deferred capital grant is related to grant provided by CST for certain plant and equipment of the Society. The deferred capital grant is amortised over 3 years to compensate depreciation of plant and equipment in income and expenditure statement.

8. DONATION

	2017	2016
	S\$	S\$
Tax deductible donations	181,218	116,837
Non-tax deductible donations	<u>2,450</u>	<u>698</u>
	<u>183,668</u>	<u>117,535</u>

9. CYCLING – NEW CHAPTER FROM SINGAPORE

Income

Donation - Tax deductible	-	45,000
Sponsor cyclist event	-	22,000
Programme - Cyclist	<u>-</u>	<u>6,832</u>
	-	73,832

Less: Expenditure

Advertisement and printing	-	-
Accommodation	-	29,163
Transport charges	-	12,600
Miscellaneous expenses	-	3,051
Jersey	<u>-</u>	<u>6,452</u>
	-	<u>(51,266)</u>
Surplus for the year	<u>-</u>	<u>22,566</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

10. SINGAPORE INTERNATIONAL SUPER TALENTS & ART 2011 PROJECT

	2017	2016
	S\$	S\$
Expenditure		
Advertising and printing	<u>51</u>	<u>51</u>

11. MISCELLANEOUS FUND

The fund is made up of donations from supporters and donors of the Society. It is used to support our free home help services for the lonely and frail elderly which include home visits, friendly phone calls, escort for medical appointments, housekeeping and provide assistance during meal times. The fund is part of Neighbourhood Link Restriction Fund. It is made up as follows:-

	2017	2016
	S\$	S\$
Balance at beginning of year	10,078	11,345
Income		
Donation - Tax deductible	<u>3,105</u>	<u>4,102</u>
Donation - Others	<u>2,450</u>	<u>698</u>
	5,555	4,800
Less: Volunteer's meals and transport allowance	<u>(6,837)</u>	<u>(6,067)</u>
Deficit for the year	<u>(1,282)</u>	<u>(1,267)</u>
Balance at end of year	<u>8,796</u>	<u>10,078</u>

12. INCOME TAX

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

13. OPERATING LEASE COMMITMENT

Rental of equipment was S\$2,042 (2016: S\$2,042). As at 31 March 2017, future minimum rentals under the lease are as follows:-

	2017	2016
	S\$	S\$
Amount payable		
- Within 1 year	2,042	2,042
- After 1 year but within 5 years	<u>1,845</u>	<u>3,887</u>
	<u>3,887</u>	<u>5,929</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

14. KEY MANAGEMENT PERSONNEL COMPENSATION

	2017	2016
	S\$	S\$
Key management personnel compensation comprises:-		
- Salary and bonus	-	44,232
- Employer's contribution to CPF	-	7,524
	<u>-</u>	<u>51,756</u>

The number of key executives who received emoluments above S\$50,000 for the financial year is NIL (2016: 1) with emoluments above S\$50,000 but less than S\$100,000.

No compensation is made to any of the Committee members of the Society as their appointments are honorary.

15. FINANCIAL RISK MANAGEMENT

The Society does not have written risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may closely monitor the Society's operating risk. In view to mitigate any financial risk exposures or losses, the Society may adopt the appropriate measures including the use of other financial instruments as and when considered necessary.

Credit Risk

The Society has no major concentration of credit risk. The Society places its cash and fixed deposits in reputable licensed financial institutions.

Foreign Currency Risk

The Society is not exposed to significant foreign currency risk as majority of its transactions are denominated in Singapore dollars.

Liquidity Risk

The Management Committee manages the liquidity prudently and aims at maintaining an adequate level of liquidity.

Interest Rate Risk

The Society's exposure to market risk for changes in interest rates related primarily to its holding of fixed deposits as disclosed in Note 4. The Society's policy is to obtain favourable interest rates that are available to place its fixed deposits.

At the end of the reporting period, if Singapore dollar interest rate had been 75 (2016: 75) basis points lower/ higher with all other variables held constant, the Society's net surplus would have been S\$7,730 (2016: S\$15,378) lower/higher, arising mainly as a result of lower/higher interest income from fixed deposits.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

16. FAIR VALUES

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

17. RESERVE POLICY

The purpose of maintaining reserves is for funding of the operations of the Society.

Due to the phasing out and transiting the Neighbourhood Link (NL) Programme by the Ministry of Social and Family Development (MSF), MSF has discontinued the NL and the funding to the Society with effect from 1 July 2016. The management will find other sources of funds in order to fulfill the continuing obligations of the Society. The management expects that the existing reserves will only be adequate for 2 years' operations.

18. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2017	2016
	S\$	S\$
<u>Financial assets</u>		
Loans and receivables:-		
Deposits	2,374	13,050
Other receivables	15,926	14,870
Cash and bank balances	417,307	177,828
Fixed deposits	319,453	614,284
Total financial assets	<u>755,060</u>	<u>820,032</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Trade payables	3,059	16,391
Other payables and accruals	12,198	14,432
Total financial liabilities	<u>15,257</u>	<u>30,823</u>

19. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2017. The Society does not expect that adoption of these accounting standards or interpretations will have a material impact on the Society's financial statements.